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Alia Speech at PPSh Congress

AU1906161791 Tirana ZERI I POPULLIT in Albanian 12 Jun 91 pp 1-2

[Speech by President Ramiz Alia at 10th Albanian Workers Party Congress in Tirana on 11 June]

[Text] I asked to speak at this congress, bearing in mind that I was a member of the party's leadership for more than four decades and held the post of first secretary for six years.

1. The Albanian Workers Party [PPSh] is 50 years old this year. It led the people as the country's sole political force for half a century. It is therefore responsible for everything that has happened, for good and ill, for both positive developments and errors and weaknesses.

Until recently, the portrayal of positive aspects predominated: the victories won in the struggle for national liberation and the major transformations that took place in different fields of social activity. Indeed, there were many of these. This is a fact. Did we do well to look only at our successes? No doubt, we did not do well.

Just as we did not do well to look only at our successes, it is equally damaging and unfair to deny everything and to paint a picture as if the PPSh did nothing but err throughout these 45 years. Extremes never reflect the truth. The party's renewal cannot be effective, genuine, and thorough if matters are not frankly and sincerely described as they are. Likewise, we cannot pave the way for the future and the implementation of the party's new program, if the party does not dissociate itself from everything in its past that was mistaken and wrong.

In this sense, it must be said clearly and unequivocally that the party and mainly its leadership is responsible for the fact that our country today is undergoing several crises: an economic crisis, a spiritual crisis, and a crisis of confidence. These did not arrive suddenly. They are also connected to foreign factors. There are also other reasons. However, the main reason lies in the line that was followed and the implementation of a specific policy that was at first effective and yielded results, but then stalled. This policy was connected with excessive centralized planning and bureaucratic administrative management and with fetishes about the relations between heavy industry and the production of consumer goods, industry and agriculture, etc. This policy involved the extreme enforcement of the principle of relying on our own resources, which, especially after the breach of relations with China, left Albania without foreign support and without an open door. The results did no harm to the world. On the contrary, it was our country that suffered and whose difficulties worsened.

It is not only in the economic field that there were errors and weaknesses in the party's work in the past. They were also present in political, social, ideological, and cultural policy. Alongside indisputable achievements that nobody can deny, there were various phenomena that cannot be reconciled to socialist ideals. The violations of human rights in the name of the class struggle, the slogans about the multiple imperialist-revisionist blockade and siege, and the extension of circles of enemies on the basis of their family connections at a time when we talked of unity and even ideological homogeneity, were mistakes with dire consequences.

I am not going to embark on a detailed analysis. This has been done in the report and in the speeches. I only wish to stress that it is true that some of these mistakes were a result of the political and economic system we adopted, just as it is also true that some of them were connected with the work of the party leadership. The system spawned bureaucracy, fostered centralization and exclusively social property; some concepts regarding the class war can be tied to the system, etc. However, it was we who conceived the policy of relying on our own resources, our hasty nationalization and livestock collectivization, the law on agitation and propaganda and especially the way in which it was enforced, xenophobia in culture, and the neglect of our national cultural inheritance. It is primarily the party leadership, including myself, who bear responsibility for this.

The party must recognize and admit its mistakes, because this is the only way in which it can regain the trust and influence it once enjoyed among the people. Many things that we once thought were right, necessary, Marxist, and Leninist, and seemed to us to serve the interests of the country and the people, have now been overthrown. Some of these things turned out have quite different results. A self-critical attitude does not harm the party. On the contrary, it is a guarantee that these evils will not return.

The report discussed Enver Hoxha and his role. I am in general in agreement with the views expressed in it.

I think there must be no equivocation in assessing the personality of Enver Hoxha. Silence does not defend him, but is an abandonment of him, leaving him to the mercies of fate. I can say that the only way to ensure continuing respect for the personality of Enver Hoxha is to maintain a critical attitude to his mistakes and to affirm his virtues.

When we talk about mistakes in the past work of the party and state, the bureaucratic centralization that stifled initiative and self-motivation at the grass roots, extreme collectivization and the egalitarianism that diminished an individual's interest in his work, when we talk about sectarianism in the conduct of the class struggle, when we talk about the damage done by the enforcement of the policy of relying on our own resources, etc., there is no doubt that Enver Hoxha bears responsibility for these things.

However, it must also be said that no single person, whoever he may be, can bear total responsibility for the mistakes or shortcomings that time brings to light. Enver Hoxha worked with a collegial leadership. He had around him many friends and officials who influenced

decisionmaking for good or ill. The conformism of many of his coworkers in the party and the state was a nursery of subjectivism and voluntarism.

I will take as an example the issue of the countryside, the restrictions on personal plots, and the expansion of the cooperatives and large agricultural complexes, that acquired impetus in the seventies and culminated in the creation of small herds. No doubt, Enver Hoxha bore the main responsibility for this as the first secretary of the party Central Committee. However, it was the government officials of the time who dealt directly with the problems of the economy, industry, and agriculture, and who encouraged and influenced the decisions whose consequences we now see. There were many district first secretaries who reported that the peasantry wanted small herds to be created or that personal plots were reduced on the peasantry's initiative. The principal comrades in the party leadership also supported these decisions and argued for their necessity, just as I did in the propaganda field.

I have concentrated on these issues not to excuse Enver Hoxha, but to emphasize the need for an objective analysis of the party's work in putting the past behind it.

2. After Comrade Enver Hoxha's death, the party entrusted the party leadership to me. The mistakes or weaknesses of the work of the party and the state in these years are also connected with my work, and responsibility falls mainly on myself.

During this period, the same road that was followed earlier in the country's social and economic development was at first in general still pursued. However, as time passed, we noticed that many matters required repair, because it became evident that difficulties were increasing. With this aim, efforts were made for changes and corrections in some areas of social and economic activity and in domestic and foreign policy.

Judging from the situation now, it must be said that these steps were taken hesitantly, slowly, and sometimes after delay. The main reason for this was that the course being followed was determined by the earlier line. As a result, the corrections were not made with courage. This was because I myself was also not free from complexes, but also because the party was not prepared for faster changes. Also, the plenum of the Central Committee and the Politburo were not up to the standards the times demanded.

Although there were changes in the Central Committee that was elected at the ninth Congress, a large proportion of previous comrades remained. The Politburo remained almost as it was. This was done for the sake of continuity, but it must be admitted, and I carry responsibility for this, that this formal situation, accompanied by a kind of sentimentalism, meant that mediocrity prevailed in the leadership. The party Central Committee and its Politburo showed themselves slow to understand the situations that developed, and some comrades proved incapable of coping with them.

Much has been said about privileges, and they were discussed at length yesterday evening. It must be said that the phenomenon of privileges as a whole was connected with what was called the nomenklatura of cadres. It was no doubt a mistaken and unfair practice. In this way, some cadres, besides being remunerated for their work, also received consideration according to their positions.

Members of the Politburo and the presidiums of central state bodies, on the basis of decisions by the party and state leadership, received special treatment. If this had been confined to the limits prescribed by the decisions, this would have been a lesser evil. However, there were exaggerations and abuses in the quantities of food purchased through the Directorate for Receptions and in the furnishing of the apartments where these leaders lived.

There were also malpractices connected with the medical treatment abroad of comrades in the leadership and certain other cadres and even their children, even though this treatment was prescribed by the doctors of the clinic or the Health Ministry.

The existence of the so-called leadership compound was also connected with privilege. Government residences for the country's leading personalities may have been in order. Other countries have them. However, when a person leaves his post or retires, he is obliged to surrender his residence to his successor. In our case, this did not happen. Besides, bearing in mind the country's economic state, these residences should not have been furnished above the average standards experienced by working people.

What was ugly and deplorable is that some comrades began to extend their homes, creating similar conditions for their children, as if they too were members of the leadership. Thus the compound turned into a closed district and privileged treatment was virtually inherited. All these things led to a decline of the leadership's authority in the eyes of the people.

Each person has his own responsibility for exaggerations and abuses. I am responsible for the fact that, when my attention was drawn to these things, I confined myself to criticisms at Politburo meetings, did not take steps to put an end to such behavior, and did not intervene to stop once and for all these practices that spiritually injured members of the party, wounding them in their pride and clouding their clear consciences.

At this congress, the party must dissociate itself from everything that was distorted and wrong. This is a necessary part of its renewal. The party must emerge from this congress fresh and able to embark on a new life. There is no need why it should labor under a burden of the sins of the past. One page of history is being closed, and new prospects are opening.

3. A few words about the process of democratizing the country's life:

As is well known, this process arose as an internal necessity of our political, economic, and social development, a necessity to overcome the difficulties that our economic and social system encountered. The need to find new paths of development appeared on the agenda. The events in Eastern Europe also had their own influence.

Viewing the measures taken as a whole and in hindsight, we are faced with various questions: Were the measures to democratize the life of society right? Were they taken on time? Were mistakes made? In my view, all the decisions that were made were right and necessary. There are two comments that might be made. First, we could have forecast the course of events more accurately, thus avoiding some contradictions noticeable between one decision and another. Second, more investigative work should have been done in the party, because it is a fact that these decisions were not well digested by the people or even party members.

These shortcomings are still observable today. The party is still not used to the changes that are taking place. It is continuing its work as before, without the spirit of initiative and the dynamism that are so necessary under the new conditions of our political life.

The party must get used to pluralism. There can be no more talk about absolute influence over the masses. The PPSh is one among the alternative parties in society. It will either encourage or discourage the people's support. The party must show where its support lies.

Comrades, every member of the party, when he looks back at the past, has the duty now to analyze himself. Leaders, to whom the party entrusted work and responsibility, have all the more need to do this.

In this speech, I have tried to reflect on the past and, in this connection, on my own work. I am aware that, as a former member of the leadership and, later, as the party's principal leader, I share a part of the responsibility for those shortcomings and mistakes being criticized today.

I am convinced that the renewal of the party is a necessity for the country's future and for the role the party must play in the continuing process of democratizing the life of Albanian society.

Throughout my life, I have worked with all my strength and have dedicated myself to socialist ideals. I will continue to work unsparingly, as long as I am mentally and physically able, to honestly serve the homeland and the cause of my people.

Nano Speech at End of Party Congress

AU2006090391 Tirana ZERI I POPULLIT in Albanian 14 Jun 91 pp 1-2

[Speech by Fatos Nano, chairman of the Albanian Socialist Party Managing Committee, at the Socialist Party Congress on 13 June: "We Send the People the Message That Albania Will Not Turn Back"]

[Text] Comrade delegates, on behalf of the comrades elected to the Managing Committee, I wish to thank you for the trust you have expressed and the commitment you have demonstrated for the radical renewal of the party, expressed in the appeal we approved together.

Albania's new Socialist Party, by the joint will of all delegates, the comrades elected to the Managing Committee, and the tens of thousands of members who stand behind us, sends to the country, the world, and the future the message from this congress that it will continue to struggle democratically to remain one of the main forces and political alternatives in the life of the country and Europe.

I have been charged by the Managing Committee to emphasize once again the commitment of the new Albanian Socialist Party [PSSh] to detach and dissociate itself from all the mistakes of the past, to orient itself as a healthy political force toward the European Left, and to be present in the political life of the country and the political life of the international community as a party of the democratic vanguard, of progress, and of national and socialist ideals, as a party open for democratic cooperation with all other democratic forces that work for progress.

In conclusion, we turn to honest people, of whom there are hundreds of thousands in Albania, but also to honest Albanian people and Albania's well-wishers throughout the world, with the message to look to the future with optimism, in the spirit of progress, and with the commitment that we, alongside others, will work for changes in the world and for Albania to be an inseparable part of the world.

Long live the new PSSh!

On the party's behalf, I express once again the commitment that it will be an unshakable partner in the agreement reached among political forces for social peace, the country's stability, and for irreversible advance on the road of democracy, on which we all decided together.

It seems to me that nothing remains except to declare the Congress closed, to resume work at once on the radical reorganization of the party, to regain people's trust, to calm their troubled spirits together with other political forces, and to send the message to the people that Albania will not turn back.

Let veterans understand that they will always have an honored place at our hearths.

Let young people understand that we will work and concentrate only on them, who are the future.

Let peasants and workers support us, because we have not finished with the programmed commitments announced at this congress, and we will always consider

that they are the main forces keeping Albania on its feet and that they are able to make an essential contribution to Albania's progress.

Let intellectuals listen to us, because without them there is no guarantee for the future of Albania or the future of this party or other political parties.

From this congress, I would like to appeal once again on behalf of the Managing Committee to all strata of the people, but especially to the brilliant minds of this nation, to commit themselves to the currents of progress that Albania has irrevocably joined.

Long live Albania!

Long live democracy!

Long live the PSSh!

Nexhmije Hoxha Speaks to PPSh Congress

AU1906185391 Tirana ZERI I POPULLIT in Albanian 12 Jun 91 pp 1, 4

[Bashkim Koci, Sadri Rrahmani, and Thoma Gellci report on proceedings of 10th Albanian Workers Party Congress on 11 June: "Renewal: A Necessity and an Aspiration"]

[Excerpt] [Passage omitted] Tirana District delegate Nexhmije Hoxha then took the floor. She said that a fine effort had been made in the report submitted to the congress. I agree with most of the proposals and the theses presented. She said that is natural that new tasks should arise in new situations.

There has been a great deal of discussion about renewal at the plenums we have held, but there has been wavering, and I carry my own responsibility for not being content merely to support the processes that were begun. The speaker then praised some research projects conducted by the Institute of Marxist-Leninist Studies and criticized the government and the Politburo for not accepting them, although they even then opened up the road we are now following. I agree, she said, that an inherited residential quarter was created in the compound. This is as true as it is serious. If patriarchal families were dispersed in our villages, such families were created in the compound. Comrade Nexhmije Hoxha pointed out that there is a kind of ambivalent attitude in the report. She attributed this to the complexity of the situation or to a desire to please all sides. She said that the gravest mistakes in the past included bureaucracy in the party and state apparatuses and the class war.

The assessment of the personality of Comrade Enver took up a considerable part of Comrade Nexhmije Hoxha's speech. She emphasized that the report had made an effort to reassess his personality. Comrade Ramiz, she said, says that the assessment must be made without equivocation, but it is not up to me to make it. Silence helps to spread truths and untruths. It is clear that opposition forces and other forces, by denigrating the personality of Enver, are aiming to combat the Albanian Workers Party itself, and to bring it to the point of disowning its entire 50 year-old history. The speaker went on to dwell in detail on both mistakes and successes, and asked that the principle of history should be borne in mind while discussing such issues. She appealed to all sides to struggle against excesses and extremists and said that the party's work with people should not be merely confined to electoral campaigns. Work with people, she said, goes on every day. [passage omitted]

Former Leaders Face Party 'Trial'

AU1806084391 Tirana ZERI I POPULLIT in Albanian 12 Jun 91 p 3

[Hamdi Jupe, Thoma Gellci, and Perparim Xhixha report on a closed session of 10th Albanian Workers Party Congress on 10 June: "Before the Party's Strict 'Trial'"]

[Text] As readers know, the 10th Party Congress held a closed session the day before yesterday, on 10 June 1991. However, we cannot conceal what was said, discussed, and decided at this session, because the destiny of the Albanian Workers Party [PPSh] is closely tied to the destiny of the people. Let us therefore open our pages to all the harsh criticism made at the congress.

In fact, this session consisted of not one but five sessions of discussion, debate, and argument that lasted a full nine hours. They concentrated on a single item on the agenda proposed by the delegate Kico Londo on behalf of the delegates of Fier District: Calling fully to account the party's highest leadership, specifically the Politburo members and candidate members, over four issues: 1. The party's failed policies that led to the present economic and social crisis; 2. The leaders' alienation from the mass of ordinary party members and the people; 3. The leaders' privileges and corruption during their time in the party's highest positions. 4. Their abandonment of the party at a difficult time in its life, especially during the election campaign. Because of their responsibility for these matters, the Fier delegate proposed that the members of the Politburo should be expelled from the party and that Central Committee members should no longer be elected to the party's leading forums. He also proposed that the persons concerned should face the judgment of the people for their abuses. The Fier delegate's proposal also suggested that Comrade Ramiz Alia, as the initiator and leader of democratizing processes in Albania, should be separated from the former Politburo members.

The above proposal was approved with applause from all the congress delegates. Thus began the long and tense trial of these incompetent and corrupt leaders who were so out of touch with the people, before what we may truly call "the party's strict court".

Many speakers took the floor to discuss the problem. They conveyed to the congress the profound outrage of the mass of ordinary party members and the people against those who used to be the party's leaders. Elbasan delegate Mentar Sula said that the party's leadership carries major responsibility for the state of the country. He concentrated on the class war and the sectarian attitudes maintained in this area, which led to divisions in the unity of the people.

We come to this congress with sorrow in our hearts, Mirdite delegate Mark Rica said, because we did not attain the goal for which we worked and strove with all our soul. We objected and made suggestions. We criticized the leadership, but they paid no heed to us. We were condemned and despised as incompetent by people who were incompetent themselves. Not ordinary party members, but the leaders are to blame for the present state of affairs, but the leaders cannot be absolved by what was said in the report alone.

The Fier delegate Petro Koci stressed among other things that it was not the leaders' privileges that impoverished the people, but their utter indifference to the people's lives. Luigj Shala said in his speech that he was conveying to the congress the unanimous view of the party conference of Shkoder. We respected and applauded the party's leaders. However, they did not at all deserve it. Especially during the election campaign, they did not do the duty of even ordinary party members. In particular, regarding their privileges won at the expense of the people's sweat, we say to them "It was a sin!" We have a strong party, he concluded, so let us purge it of such people, renew it, and make it stronger.

We know that all members of the PPSh and all its splendid supporters would have fervently wished to be all together in the hall. Never mind, brothers and sisters! You were all there through your dignified, moderate, cultured, and courageous representatives. Your comrades, sisters, brothers, and comrades-in-arms said what was "going through your minds." You may ask, "Were these top party leaders held to blame for leaving us in the lurch in this serious crisis?" Yes, they were, and firmly too, but with prudence, courage, tolerance, culture, and, we should particularly stress, with sorrow.

You brothers and sisters throughout Albania, who were not in the hall, may ask not out of curiosity but with a citizen's concern and with patriotic seriousness. "All right, brothers, we know their time was up, but were they not at least self-critical? If not sincerely, at least formally?" Only one of them, Llambi Gegprifti, managed to utter a few words of truth: "We deserve any kind of party punishment for the things we acquired, but expulsion from the party would be extreme. I therefore think that the Congress should differentiate among us." "And the others?" you will ask. Yes, they said, we enjoyed privileges, but we thought that they belonged to us as the leaders we were. They quoted a Politburo decision about how they themselves should be treated!? We are not in favor of vulgar egalitarianism, but are in favor of the excesses and abuses that alienated the leadership from the lives of the people. A belly has no ears. Listen to them and judge for yourselves: Listen to how much Comrade Manush [Myftiu] "suffered," how hard Comrade Lenka [Cuko] labored, what sacrifices Comrade Qirjako [Mihali] made (he could only go fishing on Sundays). Listen to how Hekuran Isai "struggled" for the good of the people; how Muho Asllani showed himself to be "a loyal soldier of the party"; how Comrade Pali Miska "shone" in his work, and how Comrade Rita Marko suffered so much at the lack of democracy in the party and never "lost touch" with the workers class as the Central Committee and Politburo member he was.... Thus, one after another, they tried to boast of their feats, their acts of heroism, and their "glories." All right then, who brought the country to its present plight? Delegates asked dozens and dozens of questions, but the leaders again harked back to their electric appliances, their armchairs, their thatched verandahs, and all the "modesty" that characterized their lives and work. Shame! Disillusion! A blow to themselves, and above all to the party and its reputation. A blow to the people, and all the love and respect they showed for these leaders. They tried to hide behind the system, from the one-party state to the chain of command and administration. A bad system, and worse manipulators of it, mediocre to the last moment. The delegates asked questions, and debated with serious concern. Can this leadership renew the party? Can these comrades shoulder the great and vital task of renewing the party, which is so complex and essential for the country? Never! The delegates gave this answer not in heat, but in cold logic. The leaders' replies and speeches came nowhere near the major problems of renewing the party. On the contrary, they started and ended in their petit bourgeois world, dwelling on trifles that often caused hilarity in the hall. This incompetence on the part of our respected "models," our masters, has a name: the economic, political, and social crisis. It bears the name of poverty, and the ruin of Albania's image, reputation, and authority in the world.

"The sated never ask about the hungry." This is a proverb the entire people know, but they perhaps do not know the context in which it was used in the hall. It was said that they, as high-level party and state leaders, secured themselves great privileges, secured themselves plenty, luxury, villas, cars, and soldiers to guard themselves, their families, and their clans. They forgot that there were other people around them. The people went to work every day with bread wrapped in newspaper, were crushed in buses, wondered what they would eat the next day, and stood in lines all night for a bottle of milk. They forgot that they were surrounded by comrades who had raised them to positions of leadership and who would also like to be called by the name of "comrade." They forgot that the holy word "comrade" loses its aura and even becomes a term of irony when it is used to refer to gentlemen. Their bellies were full and they forgot that their satiety was a result of others' hunger. It is not simply a matter of statistics showing their heavy consumption of staple groceries, which have been published

in the press. The point is that this preferential treatment led to their alienation from the people and the party. It was this preferential treatment and this alienation that led to the creation of this caste, this dangerous aristocracy in the garb of the workers class, or what Rita Marko would call the "kllasa punetore." [reference to Marko's inability to pronounce the Albanian letter "l"]

"I had unrestricted access to supplies," Qirjako Mihali said in his "self-criticism." "But whenever I visited anybody, I saw that they lived in the same way." The delegates laughed, and someone said. "That's right, because he perhaps went to the families he himself supplied from the compound."

"I did not steal. I paid in leks," Pali Miska said. "I did not steal. I paid in leks," said Rita Marko, Manush Myftiu, and others.

"I did not steal!" What a miserable expression. It is pathetic to say, "I did not steal. I paid in leks!" See how out of touch they are. They still do not realize what the people think about them. They still do not realize or understand that their greatest theft from the people was not their appropriation of a kilogram of meat or even a lamb or a calf, but their profound isolation, in which this superior caste forgot what the great workers class and the peasants wanted, aspired to, and demanded.

The delegates raised their voting cards unanimously in favor of the proposal of the congress that the proceedings and the analysis that have now begun should be only the beginning of a thorough analysis that will involve all levels of the party, from the highest central authorities to district bodies and basic party organizations. The question that arose directly or indirectly at the congress, "Why did all this happen?," makes such a demand necessary. Did all this happen purely because of the former leaders' weak characters, or must the matter be studied more closely? Should we look at the patterns of thought and behavior that led to the canonization of a few individuals? They were honest and hardworking people, who came to leading positions from the bosom of the people and the ranks of the workers class. They forgot this class and, in what they did, turned their backs on it. Pali Miska was a worker, and the party elevated him to the leadership. Hekuran Isai used to work a triple shift, and people liked him. Lenka Cuko was an ordinary peasant woman. Simon Stefani and Muho Asllani were workers, etc., etc. In fact, the only thing to their "credit" was that they came from work in production, from the workers class.

If their class origin was cited as evidence of the popular character of their rule and the party's ties with the masses, they exploited this same origin and this "credit" to demonstrate that they had served the party and the people. However, it was now late, far too late. The party had already "de facto" expelled them from its ranks. However, a question must be answered: Why was this necessary? Was it, as Foto Cami said, that "One grape sees another and ripens?" Was this a factor? Many of them learned from their older colleagues. However, this was not the sole reason. The question returns: Why? How did it become possible to create such a caste? How was it possible to turn cadre policy into personal politics? How was it possible for conformism and formalism to spread to every level of the party? How was "the eternal leadership" created?

Speakers and others who intervened at the congress therefore strongly emphasized: No, it was not a matter of isolated phenomena or the abuses or privileges of certain individuals. It was a matter of creating opportunities for undeserved privileges. If these people were severely criticized at this session, and if they received the punishment of the party that they deserved, this is not the end of this process, but only its beginning. The congress emphasized that the party will be debilitated if it retains in its ranks those who have abused the party's name. Our achievements are the result of the sacrifices of the people, and the tens of thousands of PPSh members, workers, peasants, intellectuals, and managers, who belong to this people. Party and state bureaucrats must never be allowed to trifle with them and to perpetrate and conceal abuses. The party dissociates itself from them and purges itself of them. This purge renews the party.

Socialist Party Congress Resolution on Youth

AU1906200091 Tirana ZERI I POPULLIT in Albanian 13 Jun 91 p 2

["Tenth Congress Resolution Addressed to Albania's Youth," passed by the Socialist Party Congress in Tirana on 12 June]

[Text] Young people of Albania!

The 10th Party Congress, meeting at a time when our people are living through truly difficult days, has analyzed with a high sense of responsibility and a healthy critical spirit the entire road traversed in this half century, with its achievements, shortcomings, errors, and failures.

The Congress has in particular looked at the causes of the situation that has been created and on concrete responsibilities, especially those of high-level party leaders.

In this spirit, the Congress has also analyzed the attitude maintained toward young people, as the most vigorous section of society and the future of the country. The Congress has observed with regret that a section of young people have lost their confidence in the Albanian Workers Party [PPSh], for various reasons.

The model that was borrowed, its implementation in practice, and dogmas and slogans, have encountered an unfavorable response among the mass of young people, as in the country's entire life.

Cadre policy, dominated by interventions, friendships, and favoritism, which are unacceptable and alien to the

very nature and character of youth, brought harmful consequences. Strict rules for admission to the party in themselves became an obstacle preventing an influx of young people, especially from the intelligentsia, into the party's ranks. In this way, the PPSh insensibly began to isolate itself from a section of young people, who then cooled toward it and became indifferent.

The admission of these truths does not in any way discount what the party has done for the country's youth, its education, culture, and general emancipation, and its training, leisure, and recreation. Under the new political conditions, our party values youth as a great invigorating and accelerating force for democratic processes, and welcomes its special role in recognizing and institutionalizing political pluralism. Considering Albanian youth as an equal partner for the good of Albania and of progress, our party will work with the younger generation not with dogma and slogans, but by coordinating its work with young people to bring society out of its crisis, to incessantly combat bureaucracy and incompetence in the state apparatus, and to pave a broad road toward conditions and opportunities for young people to train and affirm themselves as the most culture-loving section of the nation. The Albanian Socialist Party will make every effort and will exert pressure through its representatives in state bodies to create the best possible conditions for the patriotic and professional education of young people, their cultured recreation and leisure, and their mass education and culture at all levels at home and abroad, which will create conditions for a broader and more dignified confrontation with the world.

Free from politicization and patronage of all kinds, young people must not expect everything on a plate, but must set their shoulders to their labor, science, and the mastery of knowledge, because they more that anyone else have democracy in their character and blood and are inclined to welcome what is new.

The good of the people, of young people themselves, and of the homeland's future demands this.

Long live the splendid youth of Albania!

Declaration of BZNS-United Legislative Faction

AU1806112091 Sofia ZEMEDELSKO ZNAME in Bulgarian 12 Jun 91 pp 1, 3

["Declaration of Legislative Faction of Bulgarian National Agrarian Union-United"]

[Text] We are very concerned about the ever increasing activities aimed at slowing down and sidetracking Bulgaria from developing in a democratic way. We are witnesses of attempts to totally discredit the most important, but still fragile achievements, of democracy—the legislature, the presidential institution, and the government. We want to remind everybody that, as legislators, we carry exceptional responsibility and that the nation's fate for the next ten years will depend on our decisions. We denounce all activities, whatever their origin, which are aimed at gaining short-term and narrow party-minded advantages. The legislative faction of the Bulgarian National Agrarian Union-United rate such actions as a resurgence of Bulgarian partisan bias that can plunge the country into even further economic and social misery.

We have chosen the road of unity not in the name of our own interests, but in the name of Bulgaria's renaissance. We will maintain democracy only by legislative means and up to the last we will use legislative actions stipulated by the constitution.

This is why we categorically declare that we are extremely dissatisfied with the confusing work of the government in putting into practice the Land Law. The Code of Regulations for the implementation of this law in many respects contradicts the law and even stifles it. If the government does not take swift and effective action to implement the Land Law the legislative faction of the Bulgarian National Agrarian Union-United will reconsider the support it is giving the government at the moment.

With the same resolve, we insist that by 17 July, when the Grand National Assembly dissolves itself, the following have been discussed and adopted:

1. The Electoral Law,

2. The Law for putting on trial those responsible for the third national disaster, and

3. The Police Law.

Against a background of ineffective legislative action, the work of the Commission on Foreign Affairs, a commission that to all intents and purposes does not exist, is emerging in a strange fashion. As the Grand National Assembly, we do not know how to put into practice links with other countries. The activities of the Radio and Television Commission are also kept totally in the dark. It is well known that it is the radio and television who are constantly broadcasting about the political life of the country.

We are also perturbed by the attempts of the political forces to slow down and hinder the work of the legislature. This is particularly so in relation to the work on the preparation and adoption of the democratic constitution. Once again, attempts are being made to use the nationality question to achieve narrow-minded party aims.

We, the deputies from the legislative faction of the Bulgarian National Agrarian Union-United, declare our readiness to walk out of the legislature as a group, and not play at individual boycotts or so-called legislative strikes, if the adoption of the absolutely essential laws and constitution is blocked.

BZNS Will Run on Separate List in Elections

AU1806153791 Sofia BTA in English 1413 GMT 18 Jun 91

[Text] Sofia, June 18 (BTA)—The Bulgarian Agrarian Party (BZNS) will run in the new elections on a separate list, regardless of whether it will unite with the Nikola Petkov Agrarian Party of the opposition Union of Democratic Forces.

It became known at today's regular news conference of the BZNS that the unification of the two agrarian parties is problematic. Until a week ago the unification was expected to take place within a month or two. But last Sunday the two agrarian parties marked the death anniversary of agrarian leader Aleksandur Stamboliyski at different places and in different ways.

Mr. Milan Drenchev, leader of the Nikola Petkov Agrarian Party, said yesterday that he would sue the BZNS for "the name, property, and sold ideals." He said that totalitarianism cannot be united with democracy, neither can the privileged and the repressed unite. BZNS sources said today that Mr. Drenchev was choking with slanders.

Though the BZNS leaders spoke until a week ago that the two agrarian parties would unite, today they said that they had only voiced their hopes because "they were informed that almost 90 per cent of agrarians wanted unity."

The MP's of the BZNS will remain in parliament until July 17, when they may reassess their stand depending on the views of the other political forces. Mr. Svetoslav Shivarov, deputy chairman of the parliamentary BZNS (United), said today. He believes the passage of the Constitution is fully possible. This week is decisive according to him. The Nikola Petkov Agrarian Party holds a contrary view: Its MP's will stay in parliament until June 30. Mr. Drenchev doubts that the Constitution will be passed.

BSP Views on Budget, Coalitions

AU1806163891 Sofia BTA in English 1509 GMT 18 Jun 91

[Text] Sofia, June 18 (BTA)— Not an ideological union but political cooperation and interaction which could be realised both in the election campaign and after it. This is how Mr. Lyubomir Kyuchukov, deputy chairman of the Supreme Council of the BSP [Bulgarian Socialist Party] described at a press conference today BSP's

contacts with the Christian Republican Party, the Liberal Party and the Christian Women's Movement. Their first joint initiative was the rally held on June 10 to mark the first anniversary of the Socialists' victory in the elections. Among the organizers of the rally were these three extra-parliamentary parties.

The regular press conference of the BSP today was attended by the leaders of these three parties: Mr. Konstantin Adzharov (of the Christian Republican Party), Mr. Vulkan Vergiev (of the Liberal Party) and Mrs. Elisaveta Milenova (of the Christian Women's Movement). The three of them explained that they had chosen to cooperate with the BSP because they shared its striving to the preservation of social peace and parliamentary democracy.

At the June 10 rally Mr. Konstantin Adzharov asked the crowd: "Will you accept the establishment of the Christian-Socialist Union?" The opposition press reacted swiftly and recalled that so far the BSP, former Bulgarian Communist Party [BCP], firmly declared itself in support of atheism. Some observers even joked that such a union would be a world precedent.

The leader of the Christian Republican Party could not give a clear answer to a reporter who asked him why last year he had sought cooperation with the Union of Democratic Forces (SDS) and why now he is seeking cooperation with the BSP. "There is no one SDS now," he said. The Christian Republican Party took part in the parliamentary elections last year on an independent list but failed to pass the 4 percent barrier. The Liberal Party and the Christian Women's Movement were founded after the elections. The three extra-parliamentary party leaders could not give a precise answer when asked of their membership.

Further on BSP Supreme Council Session

AU1906182291 Sofia DUMA in Bulgarian 17 Jun 91 pp 1, 2

[Dora Chichkova and Vasil Popov report: "Bulgarian Socialist Party's Election Tactics Will Be Determined at 2 August National Conference, the Supreme Council Session Decided"]

[Excerpts] The election platform and tactics of the Bulgarian Socialist Party [BSP] will be determined at an all-party conference. It is expected to open on Buzludzha Peak on the occasion of the party's centennial and to continue in Sofia for 2 more days.

The next, 40th BSP Congress will be held within the last quarter of 1991 following the local and parliamentary elections. Aleksandur Lilov, chairman of the party, is in charge of appointing the leading staff for the election campaign. A broadly representative commission is expected to draft the election campaign documents.

The aforementioned decisions were adopted yesterday by the Supreme Party Council after a two-day session on the subject of "The State of the Country and the BSP Tactics Within the Period Preceding Legislative Elections." Members of the All-Party Control Commission and of the BSP Legislative Group, chairmen of BSP municipal and regional councils, and ministers from the BSP also attended.

Congress, or conference was the alternative proposed by the BSP Supreme Council Presidium on the basis of a realistic analysis on the situation. The deputies of the "Europe" Social Democratic Platform and the Group on National Consensus categorically pleaded for for an extraordinary congress to be held during the summer. In a declaration read by Prof. Petur-Emil Mitev the proposal was justified by the delay in the processes of renewal that was allowed to occur according to the signatories' view.

I do not share this opinion, Aleksandur Lilov, who took the floor immediately after Prof. Petur-Emil Mitev, declared. The BSP chairman submitted his own analysis of the country's situation and the processes under way within the party. His statement was supported by the majority of the participants in the session.

Bulgaria is undergoing a critical period of transition to democracy, Aleksandur Lilov pointed out. He called attention to the fact that the peaceful period of transition is already subject to the attack of the opposition's extreme rightwing forces and of numerous mass media. We cannot exclude the possibility that the Constitution may not be adopted, although the BSP will fight for it to the last minute, he said.

The economic reform is also undergoing a critical stage, it does not encourage production, Lilov further stated. Contradictions between the political forces are exacerbated because "the gain or loss of positions is at stake. The loss is irretrievable as a matter of fact," he added. As far as relations with the BSP are concerned, both the "united" and the "disunited" opposition have the same intentions. The political extremists in the SDS and in "Podkrepa" have no great public support, but are strong enough to provoke clashes and social upheavals, Lilov thinks.

The presidential institution also has definite ambitions, Lilov thinks. Those who see only its social blunders are seriously underestimating it.

Andrey Lukanov is convinced that the peaceful transition is threatended by the two following scenarios: One is overt dictatorship the extreme right-wing opposition aspires to. The second is the possibility that Bulgaria may smoothly slip into a pseudo-legitimate but basically authoritarian regime. This is likely to happen during the vacuum of power following the dissolution of the Grand National Assembly. Interested circles are trying to push the president in this direction, which was confirmed by his latest legislative speech.

The most important thing is to adopt the Constitution—this is the chief goal we have to achieve to guarantee the peaceful transition, Lukanov said.

A social explosion is likely, but it has nothing to do with the "legacy" and with the so-called "most inactive government

in Bulgaria," Lukanov declared. He stressed the government's basically correct approach to the reform, but pointed out some specific shortcomings that are the main causes for the disastrous state of the economy, in his view.

We are witnessing a unqiue phenomenon—namely a simultaneous stifling of both demand and supply. You cannot find this scenario in any textbook, no matter how hard they are trying to convince us that the reform is proceeding according to the book, Lukanov stated.

The former prime minister did not deny the burdensome nature of the inheritance from the past. However, he is convinced that his own program never called for such a desperate situation as it exists today. The socialist government intended to protect 21 varieties of goods by fixing their prices, which the International Monetary Fund approved. It is a fact that 1990 concluded with the expected budget deficit. Minister Kostov was forced to admit this fact whereby he practically confessed to have lied and manipulated figures, something even a simple bookkeeper would not dare to do, let alone the country's first financier, Lukanov declared. [passage omitted]

Aleksandur Tomov assessed the participation of socialist ministers in the economic and government reform. He described the reform as basically correct. The deputy prime minister complained that the supreme party leadership did not sufficiently support the socialist ministers. [passage omitted]

The Supreme Party Council adopted the resolutions on the following subjects: On the BSP centennial, on the work of the Grand National Assembly, on the Constitution, on the country's sociopolitical situation, on the elections, and on the economic reform.

Angel Bonev, journalist from DUMA, was elected chief editor of a new party weekly whose first issue is expected to appear soon.

SDS Coordinating Council Discusses Conference

AU1706173691 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 17 Jun 91

[Aglaya Shamlieva report on SDS news conference held in Sofia on 17 June 1991]

[Text] Early this morning after travelling overnight, half of the members of the Union of Democratic Forces [SDS] Coordinating Council who were in Greece returned to attend the session of the SDS Coordinating Council.

Presumably the session was so important that it could not be delayed even by an hour. The following subjects were discussed:

The agenda of the National Conference that is expected to take place on Saturday 22 June and Sunday 23 June 1923;

The nomination of groups in charge of working out the basic trends and parameters of the conference.

The election platform is not yet completed, its basic principles are expected to be discussed on Saturday and Sunday.

The conference is organized on the basis of the party representation principle. Its decisions cannot be compulsory, they have only a moral value.

Nevertheless, those who do not respect moral values in politics have no future, Mr. Filip Dimitrov said.

A compromise between the individual wings of the SDS will be discussed during the forthcoming week. There will be compromise, but only if elections take place.

Green Party Approach to SDS Problems Assessed

AU1906114791 Sofia ANTENI in Bulgarian No. 24, 12 Jun 91 p 3

[Interview with Lyubomir Ivanov, deputy chairman of the Green Party and chairman of the party's legislative group, by unidentified reporter; place and date not given: "The Key Is in Our Hands"]

[Text] [ANTENI] Mr. Ivanov, how would you describe the cooperation between the Green Party and the other parties, and what is your opinion on a possible alliance with the Agrarians?

[Ivanov] We are cooperating with all parties and movements within the framework of the Union of Democratic Forces [SDS]. Generally speaking, this cooperation is based on a common objective—namely the wish to win the elections and to remove the Socialist Party from power—rather than on common ideological principles. According to our platform and ideology, our party can be described as a liberal party (closer to the Radical Democrats and Social Democrats than to the Nikola Petkov Bulgarian National Agrarian Union, which is basically a more left-wing party). In the context of our realistic policy (which applies to our legislative activities for example), the United Agrarians [BZNS] stand somewhere in the middle of the political spectrum. Therefore, speaking of cooperation—namely of joining a coalition during the election campaign and in the post-election period—such cooperation may be based on simple pragmatic requirements. The question of whom we should cooperate with during the election campaign and following the elections depends on the correlation of forces. As a matter of principle, however, I am convinced that a realistic basis exists for our alliance with the Agrarians.

[ANTENI] What are your plans for the near future?

[Ivanov] For the time being, we are firmly resolved to pursue our cooperation with those parties and movements with whom we share the closest ideological views. This applies to Ecoglasnost and the Federation of Democracy Clubs, for example. They are already heading for a liberal program in their policy. Our platform is simply one of further development of our election program. If one were to ask what the different parties propose for the post-election

period, I think that we would come closer to the constituents' interests than anyone else. We propose realistic solutions. The reform in which the government is currently engaged does not essentially differ from our platform. As far as the post-election period is concerned, we intend to pursue our present initiatives.

[ANTENI] Do you have anything to criticize about the methods of implementing the reform today?

[Ivanov] As a matter of principle, we have nothing to criticize. Nevertheless, the reform is an equation of many unknown quantities today. Its success is determined by the most complicated internal and external circumstances. The task of the people who assumed the obligation of implementing the reform is extremely difficult. I cannot blame them for any mistakes that they may have committed, considering that the reform as a whole seems to be successful, at least as far as it appears from its results.

[ANTENI] Under what circumstances would you walk out of the legislature?

[Ivanov] Only if things were to change radically. The legislature is expected to complete its work. It would be wonderful if we could adopt the constitution, but even if we failed to do so, it would not be such a tragedy. The question of the budget is of crucial importance. If the legislature were not able to adopt the budget, this would further complicate the situation. We totally support the budget because it is the key to the future of the reform. The elections, which are expected to revitalize the legislature, are the other factor of crucial importance. We hope that more mature democrats, capable of implementing real reform, will sit in the future legislature. Therefore, new elections are urgently required and a new legislature is needed. Nevertheless, all this should be implemented under one condition—namely that future developments should proceed in a normal, civilized manner, without any acts of extremism.

[ANTENI] What kind of election system do you prefer?

[Ivanov] We support the proportional election system based on preferential tickets. In my opinion, the SDS should run on the following three tickets: SDS-Center (which may be the exclusive ticket of the Social Democrats, in the case of a merger between the two BZNS parties); the liberal platform, to which we belong, and finally, the third platform representing the future SDS-Movement that is expected to be established. This would be the most promising option for an opposition victory. Experts are convinced that this arrangement would attract the greatest number of voters from the so-called silent majority.

[ANTENI] What do you expect to happen if things in the SDS deteriorate?

[Ivanov] If things within the SDS deteriorate, that is, if the process of disintegration continues, and if the SDS-Movement emerges from the ruins of the destroyed parties, there will be a discrepancy between wishes and possibilities.

Lukanov, Yonchev Note Differences in Leadership

AU1906133991 Sofia DUMA in Bulgarian 17 Jun 91 p 3

[DUMA PRESS report: "The Time of Cadre Changes in the BSP Approaches"]

[Text] The time of cadre changes is approaching, and the 40th Congress of the Bulgarian Socialist Party [BSP], willingly or unwillingly, is expected to deal with this question, Andrey Lukanov declared. He has said that he will not accept a third term of office in the BSP Supreme Council Presidium. The deputy chairman of the BSP Supreme Council recalled that Petur Mladenov had announced such intentions as early as at the 14th Extraordinary Congress. However, restrictions on the terms of office were not envisaged in the amendments to the Party Statute adopted at the 39th BSP Congress.

Mutual relations within the BSP Supreme Council Presidium and possible internal shocks, influenced by factors related to previous plenums, took the debates at yesterday's BSP Supreme Council session away from the main subject.

We have no difficulty in working together in the Presidium, but we differ greatly on the question, "for whom the bell tolls?" This is what Dimitur Yonchev, deputy chairman of the BSP Supreme Council, described as the original cause of the so-called controversies within the party leadership. They are artificially transferred to personal relations, he added.

Yonchev pointed out that the main problem is to eliminate the mistrust of all voters who are likely to support the BSP. Under the influence of the opposition's propaganda, many of them regard the Socialists as people who are hiding their guilt, who are lying, stealing, and trying to justify themselves. Only practical actions that are designed to solve people's specific everyday life problems can convince the public that the BSP has really changed and is capable of presenting itself with a new image. The deputy chairman of the BSP Supreme Council was obliged to explain that this remark did not imply a change in the "Lilov image."

The problem of a Lilov-Lukanov relationship does not exist and there is no danger of a party split in this regard, Andrey Lukanov added. Chairman Lilov categorically confirmed that at this stage a split is no longer possible .

Valentin Vatsev, chairman of the Alternative Socialist Association [ASO], proposed a moratorium on personnel discussions "in view of the danger of cliquishness." He recommended that the party leadership renounce the formula of placing all ideological currents within the BSP on the same level.

Aleksandur Tomov added: We are just wasting time with the futile "struggle for unity." None of the ideological currents has ever attempted a split, he recalled.

Therefore the question of unity was removed from the party's agenda, on account of its not being a topical concern.

Lukanov Pleads for BSP Property Restitution

AU1906131791 Sofia DUMA in Bulgarian 17 Jun 91 p 1

[DUMA PRESS report: "Lukanov Thinks That Party Property Should Be Transferred to the State"]

[Text] We cannot engage in economic activities on the basis of the Bulgarian Communist Party's [BCP] old financial resources. The party's extensive property should be restored to the state. Some of the ceremonial halls of the Sofia party headquarters should also be placed at the service of the general public although the building is definitely our own property, Andrey Lukanov stated at the session of the Bulgarian Socialist Party [BSP] Supreme Council held yesterday. He asked the plenum to authorize the BSP Supreme Council Presidium to act in this spirit on all questions related to party property.

This is how Lukanov supported the statements voiced at the session, demanding that the BSP resolutely free itself from the burden of past guilt.

Social Democrats Wait To Form View on Coalition

AU1906181691 Sofia BTA in Bulgarian 1644 GMT 19 Jun 91

[Text] Sofia, June 19 (BTA)—The influential Bulgarian Social Democratic Party (BSDP) will wait for the national conference of the Union of Democratic Forces (UDF) on Saturday and Sunday [22 and 23 Jul) to finalize its view on the opposition coalition. The conference will deal with the election campaign strategy and the UDF structure. It is precisely the structure that has given rise to serious differences over the last few months. Should the UDF be a nationwide movement or a coalition of parties: This is the principal subject of controversy.

"If the advocates of a nationwide movement are active at the conference, the BSDP Executive Bureau will make a decision. We will not be led by people who represent nobody," Mr. Petur Kornazhev MP, deputy floor leader of the Social Democratic Party, told the press today. He did not specify the kind of decision that the BSDP leadership would take and only said it would be consistent with the party rules.

Mr. Kornazhev himself thinks there is no need for such conference. He described the attendance of BSDP representatives as "the last attempt to keep the unity of the UDF." If the conference tries to convert the UDF into a movement by its decisions, the Social Democrats will "seek another type of coalition," Mr. Kornazhev said, without elaborating the intended partners. Most probably these will be the Nikola Petkov Agrarians, who did not unite with the Bulgarian Agrarian Party, observers believe.

Asked whether the Social Democrats' leaders are actively negotiating with representatives of the liberals and radicals in the UDF, Mr. Kornazhev did not deny it but declined to elaborate. "As you can see, in parliament we vote in the same way as the MP's of the Green Party and Ecoglasnost do." (these two parties form the liberal bloc.)

Opposition Radicals Propose Single Election List

AU2006075091 Sofia BTA in English 2011 GMT 19 June 91

[Text] Sofia, June 19 (BTA)—The parliamentary group of the Union of Democratic Forces—National Movement (the Radicals of Group of 39 who walked out of parliament) suggested that the SDS [Union of Democratic Forces] should run in the forthcoming elections with a single list. This was the case in the elections held a year ago, but since then contradictions within the SDS have been aggravated.

The SDS will hold a national conference at the end of the week to find a solution to its problems. Many people are afraid that it will be a repetition of the recent national conference at which two stands were confronted: the stand of those who insist that the SDS should preserve its coalition character, and of those who rather regard it as a national movement and insist on forming public committees of the movement.

Today the radicals suggested something that might reconcile the two stands, as the parties and organizations within the national movement will preserve their ideological and organizational independence. The radicals keep insisting that there should be no party quotas in nominating the election candidates as it was the case in last year's elections. Judging by statements made by leaders of the two most influential parties, the Bulgarian Social Democratic Party (BSDP) and the Nikola Petkov Bulgarian Agrarian Party, they can hardly be expected to agree with the proposal.

The coming conference is often described as the last attempt to keep the SDS united.

Assembly Continues Debate on New Constitution

AU1906201491 Sofia BTA in English 1940 GMT 19 Jun 91

[From BTA review of today's events]

[Text] Today's parliamentary session began with a controversy whether the budget update should be included in the agenda. As they command the majority in parliament, the Socialist MP's voted down the motion.

The supreme legislative body continued its work with debates on Chapter 3 of the draft constitution entitled "The National Assembly." It was passed on second reading, but the text concerning presidential elections is yet to be discussed. This is the usual practice when parliament has got to deal with some point of controversy. A clause was passed, according to which the head of state will be heard in parliament on all important matters of the country's home and foreign policy.

During the debates on this clause the opinion prevailed that all legislative power should be vested in parliament. The clauses allowing the government to issue decrees ranking as laws were voted down.

According to another clause a vote of no confidence can be passed on a minister after which he is obliged to resign.

The ordinary National Assembly will be elected for a term of four years and will comprise 240 MP's.

The parliament proceeded with debates on Chapter 4 of the draft constitution.

Character of New Treaty With USSR Viewed

AU1706203091

[Editorial Report] Sofia BULGARSKA ARMIYA in Bulgarian on 11 and 13 June continues to carry interviews with leading political figures on the character of the future Bulgarian-USSR Treaty.

The issue of 11 June on pages 1 and 4 carries a 1,400-word interview with Viktor Vulkov, chairman of the Bulgarian Agrarian National Union, deputy prime minister and minister of foreign affairs, by Senior Lieutenant Krasimir Uzunov and Veselin Barliev; place and date not given, entitled: "The Assembly Will Decide."

At the outset Vulkov points out that the work of the draft treaty is "at its initial stage." So far only "unofficially prepared preliminary drafts" have been exchanged by the two countries' Ministries of Foreign Affairs.

Further on Vulkov points out that a new treaty is needed, "which corresponds to the changes in the two countries and the world and to the new realities." In this context Vulkov says that the new treaty must reflect "Bulgaria's new foreign policy, which pursues many directions." He stresses that "equality, mutual respect, and noninterference in internal affairs and the right to choice of each state," must be the foundation of the new treaty.

Asked about the necessity of including a military clause in the treaty Vulkov replies:

"This will be decided by the supreme state organs. I do not think that a clause that violates the principle of equality, or one that restricts Bulgaria's freedom of action and its possibility to conclude agreements with other countries and participate in international organizations is necessary."

In conclusion Vulkov denies that "any secrets" exist in preparing the Bulgarian draft of the treaty, and points out that "society and its political forces will express their authoritative opinion in the legislature when the draft treaty is discussed."

Sofia BULGARSKA ARMIYA in Bulgarian on 13 June on pages 1 and 4 carries a 1,400-word interview with Ivan Nevrokopski, people's representative and chairman of the Grand National Assembly's National Security Commission, by Senior Lieutenant Krasimir Uzunov and Veselin Barliev; place and date not given, entitled: "No Military Clauses Are Necessary."

Nevrokopski expresses the opinion that the Bulgarian-USSR Treaty is necessary and bases this opinion on the need to conduct a multidirectional foreign policy, the geographic proximity to the USSR, and the extensive economic and cultural relations between the two countries.

Asked about the need of including a military clause in the treaty, Nevrokopski answers:

"From my point of view I categorically can say that no such clause is needed at present. We know that nothing positive came out of Bulgaria's commitment to the Warsaw Pact and the USSR."

Further on he points out: "Our national security must be based first of all on the domestic military forces. As a small state we must cooperate with all states, first of all the Balkan states, and then with the countries that are close to us, especially the European countries."

Nevrokopski stresses that Bulgaria must continue to receive spare parts for its Soviet weapons. "However, this must not be related to the treaty," he says and proposes "to formulate this matter in a separate document related to military cooperation, which will specify the supply of military spare parts against the appropriate remuneration." Nevrokopski proposes to see the separate document as a "commercial deal."

Asked in conclusion about the possibility of concluding bilateral treaties with the separate republics Nevrokopski answers:

"For the time being this possibility has not been considered. However, if those republics become independent states—why not?"

Contract for Additional Soviet Oil Signed

AU1806152591 Sofia BTA in English 1355 GMT 18 Jun 91

[Text] Sofia, June 18 (BTA)—An extra three million tonnes of crude oil will be imported from the USSR by the end of this year. This will be regulated by a contact signed here today between the Ministry of Industry, Trade and Services and the Planeta-999 Joint Russo-Bulgarian Company Ltd. Both sides agreed that in 1992 the quantity of crude oil delivered through them to Bulgaria in 1992 will amount to 7-8 million tonnes. They will be refined at the Burgas Petro-Chemical Works.

The crude oil will be delivered against Bulgarian goods worth about 2 million leva. The Planeta-999 Company will comply with the policy pursued by the Bulgarian Government for encouraging production and export. To this end it will invest some two billion leva in branches and activities of prime importance in the government's programme for the economic reform.

Paparizov Announces Trade Surplus for May

AU1906120591 Sofia BTA in English 1112 GMT 19 Jun 91

[Text] Sofia, June 19 (BTA)—For the first time since the mid-80s Bulgaria had a trade surplus of about 100 million U.S. dollars in May, Mr. Atanas Paparizov, minister of foreign economic relations, told a press conference today. The country is getting over the setback in its trade with the Soviet Union, its relations with the EC are also active, Mr. Paparizov said.

This positive tendency, however, should be considered in the context of the general shrinking of the country's foreign trade which is a result of the economic crisis and the production decline, Mr. Paparizov said. Exports have dropped by 52 percent from may 1990 and imports by 63 percent. Only exports to certain countries have gone up: To Great Britain by 11 percent, to Libya by 39 percent and to Turkey by 387 percent. Turkey is the only country which increased its export to Bulgaria—by 643 percent as against May 1990.

Mr. Paparizov gave the following export structure figures for the first five months of the year: The Soviet Union—63 percent (down by 2 percent as against last year), the EC—17 percent (up by 4 percent), other Western countries—7 percent (up by 1 percent), Arab countries—6 percent (up by 2 percent). There is a substantial 6 percent drop in Bulgaria's export to the former socialist countries.

Export has been on the decline since the beginning of the economic reform, Mr. Paparizov said. The reason for this, according to him, is the exchange rate of the Bulgarian lev which restricts export and stimulates import. The Soviet Union accounts for the largest share in Bulgaria's import, its share has increased by 16 percent as against the same period last year. This is only natural, Mr. Paparizov said, because Bulgaria imports the bulk of its energy resources from the Soviet Union. Import from all other regions has dropped.

This year Bulgaria is not likely to reach its traditional export volume of the pre-crisis period. This country will feel the need for new markets in a year when it copes with the production decline, Mr. Paparizov argues.

Ministry Expert Expects Poor Year for Agriculture

AU1906134391 Sofia DUMA in Bulgarian 15 Jun 91 p 1

[Meglena Ilieva report: "We Will Not Starve This Year But It Will Be a Poor One for Us"]

[Text] Georgi Petrov, an expert on plant growing from the Ministry of Agriculture and Food Industry, expressed concern about this year's harvest. He told DUMA that we would not starve but that it would be a poor year for us.

Side by side with the country's general problem brought about by a shortage of fuel, unusual weather conditions during the spring and the high price of plant protection have had an unfavorable effect on the state of the crops, Mr. Petrov added.

It became clear that 400,000 decares of land less than anticipated had been sown with sunflowers, or in other words 60,000 tonnes less seed, which will deprive consumers of 25,000 tonnes of vegetable oil.

Despite the fact that this year is favorable for cultivating sugar beet, barely 360,000 decares of beet, of the planned 450,000, have been sown, Mr. Petrov explained.

He was confident that tobacco prices will be updated according to expenditure by the beginning of the purchasing season. Minimum agreed prices are 17 leva for the coarse-leaved Northern Bulgaria tobacco, 25 leva for Bash-Bali, and 35 leva for Dzhebel. Some 18,000 tonnes of tobacco products are consumed each year in Bulgaria, and 60-70,000 tonnes are exported.

The planting of vegetables continues despite the fact that the weather conditions during April and May caused roots to rot and slowed down growth by weeks, Mr. Petrov said. According to data from the Central Statistical Administration, up until now, in comparison to last year, there are 1,357 decares less land planted with maize. Sunflower fields have decreased by 420,000 decares, tomatoes by 49,000 decares, and peppers by 12,000 decares. In its report, the Central Statistical Administration says that by the end of May, 34,000 tonnes of vegetables had been picked on farms, 68 percent less than in the same period last year; 4 percent fewer early potatoes had been picked, and glasshouse production of tomatoes and cucumbers was down on last year by 28.9 percent.

Contracts have been signed for only one third of the grain, Mr. Petrov said. There is no policy for fixing the price of grain but it is more than likely that a tonne of bread grain will cost between 1,200 and 1,400 leva. He pointed out that farms do not have granaries and at the first downpour of rain thousands of tonnes of grain will be ruined.

Scholars Express Concern About BCP Archives

AU1906131591 Sofia DUMA in Bulgarian 17 Jun 91 p 4

[DUMA PRESS report: "Bulgarian Scholars Are Worried About the Future of the Archives"]

[Text] An open letter from a group of Bulgarian scholars addressed to President Zhelyu Zhelev; Nikolay Todorov, chairman of the Grand National Assembly, and Council of Ministers Chairman Dimitur Popov, was recently submitted to the DUMA editorial board. It expresses serious concern about the future of political parties archives', which, according to recent information, are expected to be incorporated into the system of the State

Archives on the basis of a forthcoming Council of Ministers Decree that is reported to be in preparation.

A total of 75 historians and experts from various academic and scientific institutions are voicing their urgent warning of the danger of a hasty and unjustified decision, which not only contravenes current legislation, though it is undoubtedly outdated, but is also at odds with contemporary methods practiced all over the world. Archives are the legitimate property of the relevant organizations to which they belong. Nationalization of intellectual property is an undemocratic method and contradicts the nature of the changes underway in our country, the authors of the letter point out.

The signatories of the letter stress that the aforementioned decision is likely to legalize the absolute monopoly of the Chief Administration of Archives, which is under the Council of Ministers, over all state, public, and private files and document collections, and is likely to violate the scientific principles of document filing. The letter recalls that documentary foundations, such as the Friedrich Ebert, the Antonio Gramsci, and the Maurice Thorez foundations, the archives of the Second International, and last but not least, archives of various communist, socialist, conservative, and peasant parties exist all over the world.

The scholars express their categorical, professional disagreement with the opportunistic approach that threatens the existence of the Bulgarian Communist Party's Central Archives, containing one of the richest, most original, best organized and best stored document collections in the country. On the basis of most convincing arguments, the signatories express their view that the archives should remain the property of the Bulgarian Socialist Party [BSP], while the document collection should be preserved in its entirety, irrespective of the fact that some of the documents may be related to other spheres.

The scholars, who are well acquainted with the methods of the past, describe as unjustified the argument that a transfer of party documents to the State Archives Administration would allegedly better guarantee their storing and preservation. They are ready to cite numerous examples of greater restrictions being imposed on the use of the so-called "secret fund" by the State Archives than by the Central Party Archives. They also express their fear that the transfer of party documents to the State Archives and their handling by that institution may involve greater danger of the files being dispersed or destroyed.

The historians urge all responsible institutions to draft and adopt updated legislation on the nation's archives, and to search for a competent and reasonable solution to the future of the Bulgarian documentary heritage, in the interests of the whole nation.

Data on Cross-Border Travel, Violations Reported

AU1906181491 Sofia BTA in English 1647 GMT 19 Jun 91

[Text] Sofia, June 19 (BTA)—Last year 24 million people crossed Bulgaria's borders, Ministry of the Interior officials told the press today. They said that 6,121 foreign nationals were denied entry into the country. The immigration authorities registered 11,500 irregularities, 631 persons were detained and handed over to the investigating authorities, and customs inspectors seized a total of 350,000 dollars and 59 kg of drugs.

Now that Bulgarians are free to travel around the world, the immigration and customs authorities' workload is just as heavy. They have problems with travellers from the developing countries and above all Sri Lanka, Iran and Bangladesh, who often arrive without valid papers and overstay their visas.

On the Black Sea border, the problems come from the Turkish fishing boats which have been trespassing into Bulgarian territorial waters ever more frequently. Border guards have been compelled to use arms because in some cases the trespassers have tried to ram the border guard patrol boats.

A border guard spokesman expressed regret over the attempts of the Turkish authorities in a number of cases to minimize the effects of such actions, thus encouraging them indirectly.

Stolen cars from Western countries are known to enter Bulgaria on their way to the Middle East where they are resold.

The Interior Ministry officials complained of the lack of state- of-the-art equipment. The reporters were told that all checkpoints on the Western border will soon switch over to round-the-clock operation.

General Elaborates on Anti-Stealth Device

AU2006135091 Prague RUDE PRAVO in Czech 18 Jun 91 pp 1, 2

[Interview with General Oldrich Barak, head of the Czechoslovak Army Armaments and Technological Procurement Administration, by Marie Konigova; place and date not given; headlined "It Can See Even the Invisible Stealth Aircraft"—first two paragraphs are RUDE PRAVO introduction]

[Text] Deputies from the Federal Assembly Security and Defense Committees are concerned whether there is any truth in the rumors that Czechoslovakia has developed a device through which even the so-called invisible aircraft using the Stealth technology (in translation it means stealth) can be detected. Since the answer provided by General Oldrich Barak, head of the Czechoslovak Army Armaments and Technological Procurement Administration, was positive, I was interested in more details.

As he told me, this equipment can detect the "invisible" aircraft, depending on the altitude of its flight, at a distance of 400 kilometers. At this distance, it is possible to determine what kind of target it is, its position, and altitude.

[Konigova] Does that mean that, for us, the invisible aircraft does not exist any longer?

[Barak] "Invisible"? This is nonsense. In fact the aircraft only reduces the reflection surface [visible] by radar so much that standard radar is able to detect it only from a distance of 20 to 60 kilometers. Our defensive equipment evaluates [the activity of] radio or other radio electronic equipment that is operating aboard the plane. Following an analysis, we are able to deduce all the details. We are taking advantage of the fact that when the plane flies in low altitudes it must use radar equipment, on board radio, answering equipment [odpovidac], and altimeter. It emits signals that we can process. We are even able to follow several airplanes simultaneously.

[Konigova] It there a similar device anywhere in the world?

[Barak] No, this is a unique device and it is patented in Czechoslovakia. This is also the reason why the rest of the world is so interested in this complex radar-reconnaissance system.

[Konigova] Does it mean that unobserved aircraft can penetrate our territory unobserved?

[Barak] This can happen, despite all of this. That is, the problem is how many of these systems we have available and in which direction we aim them. We have reevaluated the weapons of our Army and determined what we need and what we can afford. The requirements imposed on the structure of the technology and weapons in our Army ensue from the fact that we must secure the defensive capability of our Republic. We have carried out specific analyses—which arms should be modernized and which should be completed so that a weapons system is created that will be capable of facing even such equipment as that used in the Persian Gulf. I am talking about active radar systems and passive radio electronic devices. The active [radar systems] were so disturbed there [in the Persian Gulf] that the ground air-defense system was practically nonexistent. To avoid experiencing something similar, we have [developed] the aforementioned equipment, which belongs among the passive ones.

[Konigova] How much does such equipment cost?

[Barak] Approximately $10 million.

Dobrovsky: Claim 'Exaggerated'

LD1906220691 Prague Federal 1 Television Network in Czech 2110 GMT 19 Jun 91

[Text] Late this morning Defense Minister Lubos Dobrovsky returned from a nine-day official visit to the United States. His trip was, in a sense, historic in that it was the first-ever visit by a Czechoslovak defense minister to the United States. We carried a detailed report on the Czechoslovak television news, but there is another question that interested us too.

[Begin recording] [Unidentified reporter] It is interesting that during your visit to the United States the news broke in the Assembly and later in the press that the Czechoslovak Army has developed a radar system able to detect and identify the U.S. Stealth invisible aircraft. How did the U.S. side react to this news, and was the timing really a coincidence?

[Dobrovsky] I heard the news while I was still in the United States. I did not have a chance to gauge the reaction of the Americans, but I think the report is somewhat exaggerated. We would need a greater knowledge of the whole system of the Stealth aircraft and we would need to try it out first to be able to give a clear and precise response to the question whether this passive radio location system is capable in some way of detecting the presence of that plane. For the time being I am unable to comment, because I do not know what General Barak actually said; if he actually said what was reported in the newspaper, or if he was rather more cautious in his words.

Naturally if, let us say, a B-1 aircraft was emitting or was in some sort of communications connection, then there is a theoretical likelihood that it would be picked up at the range which was mentioned in the report. Otherwise, I do not think that emissions from its onboard equipment would be detected. It has undoubtedly been made secure in such a way as to prevent any escape of radiomagnetic radiation from the operation of the navigation instruments and so forth. However, let us leave that to the experts to evaluate for themselves. [end recording]

Havel Expresses Sympathy for Cuban Opposition

LD1906014591 Prague CTK in English 1515 GMT 18 Jun 91

[Text] Prague June 18 (CTK)—Cuban dissident poet Armando Valladares, jailed in his homeland for 23 years and now living in the United States, today apologised to Czechoslovak President Vaclav Havel for the insulting remarks recently made about him by Cuban communist leader Fidel Castro. Valladares, released from prison in 1982 and later appointed permanent U.S. representative to the U.N. Commission for Human Rights, is accompanied on his current visit here by Cuban-American business leaders who are offering Czechoslovak businesses 50 million dollars in credits. In his meeting with Valladares, Havel said he sympathises with the Cuban opposition, adding that he had not been surprised that Castro called him an agent of imperialism because Czechoslovakia's former communist rulers had said the same thing about him. Valladares was also received by Czechoslovak Deputy Premier and Foreign Minister Jiri Dienstbier.

Declines Noted in Jan-May Economic Indicators

AU1906132891 Prague HOSPODARSKE NOVINY in Czech 18 Jun 91 p 2

["(VL)"-signed report: "May in the Grip of Minuses"]

[Text] According to preliminary data, the production of industrial goods reached—after adjusting for price differences—307 billion korunas during the first five months of the year. Compared to the same period last year, it was lower by 14.8 percent (of this 13.7 percent in the Czech Republic and 17.5 in the Slovak Republic).

In the month of May, the production of goods was 27.2 percent lower, particularly in Slovakia (-32.7 percent). On the other hand, manufacturing enterprises are constantly facing marketing problems in domestic as well as foreign markets.

According to the May report of the Federal Statistical Office, the largest declines in production since the beginning of the year were recorded in the clothing industry (-34.6 percent), the non-ferrous metallurgical industry (-29.2 percent), the leather processing industry (-22.6 percent), and the electrotechnical industry (-22.7 percent). On the other hand, fuel and electric power production increased in comparison with the January-May 1990 period.

Decline in the volume of construction projects appeared in all branches of the building industry—more markedly in the case of new construction than in other projects and renovations. Compared to last May, the volume of construction projects was lower (in current prices) by more than 60 percent, of this, 70 percent in Slovakia. Unfortunately, under current conditions, statistics are not available for how much this drop is compensated for by the activities of small enterprises and of private entrepreneurs but, according to some estimates, only a few points would be involved.

Similarly, in view of the changes that are underway, retail turnover is not fully comparable with last year's figures. In state-run organizations and cooperatives, retail turnover was 13.5 percent lower (in current prices) than in last May. Expressed in physical volume (after the elimination of price effects), it was 50.4 percent lower. Actually, the decline has not been so deep, obviously, because it is impossible to record private retailers' turnover and the volume of direct sales.

Compared to last April, the procurement of primary agricultural products increased last month, but it has not reached last year's level. The decline in procurement also is affected, to a certain degree, by increasing direct sales from the producer to the consumer, particularly in the case of eggs and some dairy products. The procurement of slaughter animals this May was 22.5 percent lower than in the same month last year (23.0 percent in the Czech Republic and 31.1 percent in the Slovak Republic). The procurement of slaughter cattle declined particularly, while the decline in the procurement of slaughter hogs slowed down in May.

The Czechoslovak State Railways transported 87.2 million tonnes of goods during the last five months, which is almost one-fifth less than in the same period last year. This fact is mostly due to lower demand by transporters, to lower production, and to the lower volume of mass transportation of substrates, with the exception of ores.

Finance Minister Seeks 'Economic Miracle'

LD1906154291 Prague CTK in English 1149 GMT 19 Jun 91

[Text] Prague June 19 (CTK)—Czechoslovak Finance Minister Vaclav Klaus today said that "the only thing we want to attain is an economic miracle". Klaus was addressing the 11th joint session of the Czechoslovak-U.S economic council which started here today. The U.S. delegation composed of representatives of major companies, is headed by Deputy President of the National Patent Development Corporation Martin M. Pollak. Klaus said that the Czechoslovak economic reform is quickly advancing because it is inadmissible to prolong the agony of the current mixed system when the old one has not yet been completely removed, while the new one has not yet been established. Speaking about relations with the United States, Klaus said that "what we need is mainly trade". Present at the session were also U.S. Ambassador to Czechoslovakia Shirley Temple-Black and Czechoslovak Ambassador to the United States Rita Klimova. Tomorrow, when the session ends, a speech will be delivered by Chairman of the Czechoslovak-American Enterprise Fund John R. Petty. The fund was established last March to administer the 60 million dollar fund in aid of private enterprise in Czechoslovakia. Its establishment was announced by President George Bush in his address at Prague's Wenceslas Square on November 17, 1990.

Klaus Interviewed on Slovaks, Constitutions

AU1906103291 Prague MLADA FRONTA DNES in Czech 17 Jun 91 pp 1, 3

[Interview with Finance Minister Vaclav Klaus by Karel Hvizdala; place and date not given: "We Have To Tell the Truth"]

[Text] [Hvizdala] When you were establishing the Civic Democratic Party you were also considering its federal structure and, all of a sudden, you said about Jan Carnogursky's statement—"Slovakia will stay in the Federation only until we enter Europe"—that it is necessary to built a barrier against such ideas. Have you changed your attitude toward Slovakia, or was it a provocation and, in fact, an attempt to intimidate Slovaks?

[Klaus] First, the Civic Democratic party is, and will be consistent in its ideas about the Federation. We have not changed our opinion in the slightest. The Slovak side has shifted its opinion, and this is what led me to raise my voice and change the tone and the form, too. I am principally against the idea of the probationary marriage. Can you imagine telling your wife: I will marry you now, but when I find a better one, please be prepared to separate? I wanted to say clearly that no one can behave like that, be it a marriage bond or relations between states.

[Hvizdala] In what does Jan Carnogursky's words differ? He has affirmed this for several months.

[Klaus] I believe that there is a shift in the meaning of the words coming from Slovakia. This is not only my opinion. This is a general opinion here, on this side. An analysis of the Slovak politicians' statements on the Federation would go beyond the framework of this interview. I repeat: We consider the conclusion of a state treaty to be a temporary marriage. This is unacceptable.

[Hvizdala] What attitudes will your party adopt in the constitutional talks in Kromeriz today? What ideas are you bringing with you there?

[Klaus] We are going to Kromeriz with the decision not to escalate the confrontational mood. As always, I would like to contribute to the businesslike nature of the meeting. Another thing that I would like to speak about is the procedural issue. After the revolution, the so-called "roundtable talks" were an establishment where one could play one's game. Such an establishment was necessary because the legislature did not function and roundtable talks were held in place of standard political mechanisms. Roundtable talks can be exceptionally accepted as a meeting involving top politicians who will provide an impulse to legislative clubs. I understand this. This is why I have always participated in them, yet it seems to me that negotiations of this type have become obsolete now. The main task today is to return all these talks on constitutions to the Assembly, since our voters are justifiably concerned whether the legitimate legislature is not being bypassed. This, too, must be said loudly.

Third, though I am not a witness to all negotiations held in Vikarka Restaurant and in Lany, nevertheless my impression is that almost invariably the same thing happened: The wording of the communique was always more optimistic than the course of the talks. In principle, each communique covered up serious differences, and this is why we recommend that the communiques reflect the real course of the talks and its entire atmosphere.

[Hvizdala] You cannot blame it on someone else. If you, as a participant in the meeting, did not agree with this optimistic wording, then the communique would sound different....

[Klaus] I am not criticizing anyone, I am only stating that it is about time to abandon these practices. The issue is to produce real communiques and not diplomatic communiques. I believe that the public should be told the truth.

[Hvizdala] How would you define political and economic limits beyond which you and your party would not go during these talks?

[Klaus] There are two things. One is procedural, the other pertains, as a matter of fact, to jurisdictions. I must state that no serious issues were dealt with during any of these meetings. As a matter of fact, jurisdictions and similar issues have never been dealt with.

[Hvizdala] What do you discuss there, then?

[Klaus] Procedural questions are constantly discussed there and the very substance of the constitutions has been rarely discussed. I would say that only the introductory paragraph has been discussed. That is, the issue was how to harmonize the three constitutions, which constitution should be adopted first, and which constitution should be subordinated to which. Almost never has anything been said about taxes, how pipelines should be divided, etc. This may be correct, since jurisdiction over specific matters should be decided by experts.... If you are asking about the jurisdiction aspect of the issue, then this interview is premature.

[Hvizdala] Do you, or your party, have an idea about the limits beyond which you, in principle, would not go?

[Klaus] I would put it this way: Our condition is a real federation, that is, one currency and one central bank ensuing therefrom. On the other hand, I would like to say that in some cases, we stick to federalism more than would be reasonable.

[Hvizdala] For instance?

[Klaus] For instance, the law on waste was discussed and the issue was whether this law should become a federal law or not. It seemed unimportant to me and I see unsound federal purism behind it. I do not see any breakup of the Federation in the differing view on the

quantity of harmful substances that, for example, one tonne of water may contain. It seems to me that we failed to understand what is a common and federal issue and what is not. This is why both republics enter and close themselves in their bunkers from time to time and launch well guided missiles against the other side. Needless to say, many of these missiles are, in my opinion, completely unnecessary.

[Hvizdala] Let us return to politics....

[Klaus] Economically and politically, the Federation must act as a single entity on the international political scene. There must be no doubt about it, this must not be a subject of discussion. In no case should we consider that one republic alone would be able to conclude agreements with the International Monetary Fund or international banks. It is necessary to say further that there must be a single monetary and financial policy. It must not happen that one budget would promote an anti-inflationary policy and the other an inflationary policy, this is clear. On the contrary, it is possible to set certain guidelines for most taxes and the republics can move within them as they want, etc., etc. I cannot spell out everything.

[Hvizdala] You will be 50 on Wednesday [19 June]. What would you wish for yourself?

[Klaus] One really needs health and strength. It is banal but it is true. My tendons are aching now, it lasts for two or three weeks, they even wanted to put a cast on it; I have been somewhat ambushed by that. This is why I would mainly wish firm health for myself.

[Hvizdala] And what about politics?

[Klaus] Of course, I am aware of the fact that today the Civic Democratic Party is the only guarantor of the direction that was established in Czechoslovakia and, because of that, the duty of this party is to secure this development. This is only possible if the party has significant success in elections; that is, I would wish this success for myself and for this country.

[Hvizdala] When will you begin your election campaign? Do they blame you for having started it?

[Klaus] Everyone here is canvassing by taking various steps and by behaving in a certain way. In one sense the election campaign has never ended here, yet I believe that it would be beneficial for all of us if we put politics aside a little, since it is not possible to keep the whole nation in political tension for such a long time.

Slovak National Party Chairman Interviewed

AU1706133891 Prague RUDE PRAVO in Czech 15 Jun pp 1, 5

[Interview with Slovak National Party Chairman Jozef Prokes by Pavol Minarik; place and date not given: "Let Us Remove the Planes of Friction"]

[Excerpts] [Minarik] In the context of the future state-legal arrangement, your party has taken the stand that before any treaty is entered into, the eventual advantages of each republic must be made clear. Why?

[Prokes] If someone proposes a coexistence with another nation, he must document the advantages of such a coexistence. I am asking specifically what would be the benefits for Slovakia of a coexistence with the Czech nation as opposed to its independent existence. The Slovak National Party does not cast any doubts on the coexistence a priori but, at present, we do not see in it any advantage for us. However, we are open to discussion. Should someone persuade us that it is beneficial for the Slovak nation, we will accept it, particularly if a majority of the population is in favor of it.

[Minarik] Negotiations took place in Vikarka and in Lany regarding the future state-legal arrangement according to the principle "only our men." It was different in Budmerice, where representatives of the opposition parties participated, and which included the Slovak National Party. How would you assess these negotiations? What was your contribution?

[Prokes] First, I must mention that, on a suggestion by the president, the participants agreed not to provide information on the stands taken by the individual parties until the meeting—interrupted by the unexpected demise of Deputy Barta and planned to continue soon in Kromeriz—is closed. Unfortunately, I consider the information provided by President Vaclav Havel in his radio program, Conversations at Lany, a gross violation of this agreement, and I no longer feel under any obligation.

Now, about the negotiations—I reiterated our well known stance, i.e. the question: "Why should we live in a common state? What is the advantage?" We expected that the advocates of a common state would respond. This did not happen. Nobody offered any arguments demonstrating advantages of the common state. Thereby, I believe, all the participants in Budmerice had cast doubts on the purpose of a common state.

Moreover, most of the Czech political representatives demonstrated forced efforts to place the civic principle of coexistence over the national one, which translates into an automatic advantage of the more populous nation over the smaller one. We interpret this as an attempt to fully suppress the interests of the Slovak nation. [passage omitted]

[Minarik] How does the Slovak National Party view the alternative of a union-type arrangement based on a territorial rather than on a national character? Is it acceptable for you?

[Prokes] No. The main reason is that Czechoslovakia, as it has always been declared, is a state of two state-legal nations. Any administrative division actually denies this fact.

[Minarik] The Czech National Council met in the context of the possible division of the common state to discuss a worst case scenario. What do you think of this step?

[Prokes] This is the fundamental problem of the attitude toward the partner. Obviously, the attitude of the Czech side is such that if the need arises, it will make the sudden cut, and it is getting ready to do so much more than we are. All this time, we have lived under the impression that if the division of the CSFR were to take place, it would be done through negotiation and agreements regarding procedure, cooperation, and division of property. The eventual division should be done with some culture and dignity. Moreover, we should cast off the way of thinking that was forced on us over the decades of totalitarianism—that he who is not with us is against us. [passage omitted]

[Minarik] The question of who is the loser [in the coexistence of the Czechs and the Slovaks] is often heard at all levels. What is your opinion?

[Prokes] This question would lose its meaning if we really formed two autonomous entities, i.e. independent republics. Bohemia and Slovakia as two autonomous entities according to international law would find, I believe, a way of closer cooperation than they do in this common state, in which precisely this argument that someone is worse off forms unnecessary planes of friction. Personally, I am convinced that the Czech Republic has never been a loser to Slovakia.

[Minarik] Some Czech newspapers refer to the Slovak National Party, the Movement for Democratic Slovakia, and the Party of Democratic Left as the three communist parties. Do you feel like communists?

[Prokes] Everybody has the right to his own opinion. The former regime caused only suffering to me and to my entire family, and therefore I do not have the least reason to feel like I am a communist. [passage omitted]

[Prague LIDOVA DEMOKRACIE in Czech on 12 June on page 3, under the headline "On Yesterday's Political Scene," adds that "the Slovak National Party has 10,000 members."]

SDL, Greens Comment on Constitution Talks

LD1806231591 Prague CTK in English 1155 GMT 18 Jun 91

[Text] Bratislava June 18 (CTK)—The adoption of the constitutions—Slovak, Czech and Federal—will be a very complex political process, Chairman of the Slovak Party of the Democratic Left (SDL—former Communists) Peter Weiss told journalists today after yesterday's talks of Czechoslovak political leaders at Kromeriz, South Moravia.

Weiss said that the talks were characterised by the effort of all participants to reach at least minimal agreement.

Slovak Greens Party Chairman Peter Sabo said at his party's briefing that for the sake of compromise the Greens dropped their original intention to demand a confederative setup for Czechoslovakia.

They thus joined the majority of parties and movements favouring the existence of a common state. However, its principles were not discussed at Kromeriz, Sabo added.

Four Parties Favor Independent Slovakia

LD1806231791 Prague CTK in English 1249 GMT 18 Jun 91

[Text] Bratislava June 18 (CTK)—The establishment of an independent Slovak Republic is the ultimate goal of four nationalist-oriented Slovak political parties, journalists were told at a press conference here today.

The parties are the Movement for an Independent Slovakia (HZNS), the Slovak People's Party (SLS), the Party of Christian Democracy (SKD) and the Party of National Prosperity (SNP).

The parties want to merge in August and form a strong nationalist-oriented people's party.

HZNS Chairman Vojtech Vitkovsky said the parties are working on a draft constitution, based on that of the first Slovak state (1939-1945) and providing for the foundation of an independent Slovak Republic.

Carnogursky Interviewed on Current Slovak Issues

AU1906141791 Prague RUDE PRAVO in Czech 14 Jun 91 pp 1, 5

[Interview with Slovak Prime Minister Jan Carnogursky by Gustav Capko and Pavol Minarik; place and date not given: "How to Get Into the European Community"—first paragraph is RUDE PRAVO introduction]

[Text] We interviewed Slovak Prime Minister Jan Carnogursky on the most recent events in Slovakia, on politics and economics, on the problems associated with completing the Gabcikovo-Nagymaros water project, on unemployment, and also on constitutional and legal issues.

[RUDE PRAVO] You are the prime minister of a reconstructed government. Have you also taken hold of the baton as far as the government's policy statement is concerned?

[Carnogursky] We are assuming responsibility for the Slovak government's original policy statement. As far as specific issues are concerned, we are only refraining from reducing the number of branch economy ministries because we came to the conclusion that, under current conditions, this would not be a purposeful solution. However, as far as the emphasis on individual steps is concerned—these steps are already given—some changes may be made. Otherwise, we have submitted the implementation of the government's policy statement to the Slovak National Council.

[RUDE PRAVO] The government recently approved material on the course of action for implementing economic reform in Slovakia. Does this not involve a deviation from the economic reform adopted by the Federal Assembly?

[Carnogursky] No, it does not. Even in the material drafted by former Slovak Economic Strategy Minister Rudolf Filkus it is stated that there is no other way for Slovakia but to continue in the economic reform—in those fundamental parameters—approved by the Federal Government and the Federal Assembly. Slovakia is simply too small to implement any other kind of economic reform.

[RUDE PRAVO] Another round of the negotiations on the constitutional and legal arrangement will be held in Kromeriz soon. What do you expect from them?

[Carnogursky] To be honest, I do not expect any great results. Unfortunately, it seems that the points of view held by some Czech representatives and the Slovak representatives are not moving any closer together.

As we can see in Yugoslavia or the Soviet Union, delaying a solution has the effect of causing points of view to move further apart. In the final analysis, every state is based on its ability to safeguard its domestic order by use of military force. At the moment, a military solution to domestic disputes does not come into consideration in Czechoslovakia. However, this means that the final guarantee that a domestic solution will be achieved is almost non- existent.

[RUDE PRAVO] The issue surrounding the completion of the Gabcikovo-Nagymaros water project has reached, so to speak, a blind alley. While the Hungarian side has announced a competition whose outcome should be the restoration of the landscape to its original state, we will continue working on the C variant. Do you think it is still possible to reach some kind of sensible solution with the Hungarian side?

[Carnogursky] It would not be correct if we were only to say that this issue has reached a blind alley. The Hungarian side only wants to return the Nagymaros construction site to its original state; however, the studies on completing the project concern Gabcikovo. This is one thing. Second, if the government has not made a definite decision—I cannot talk about the certainty of it—completing Gabcikovo appears to us to be the most realistic alternative. Of course, we are approaching a decision on continuing or not continuing this project by means of partial decisions, while considering all the possibilities and, in particular, the ecological threat. Perhaps the difference in the Slovak government's approach toward the Gabcikovo problem will, in the future, rest on the fact that we will keep our arguments on a matter-of-fact level as much as possible. We do not want to make a political issue out of this and we certainly do not want to turn it into an emotional one, or rather, a nationalistic one.

[RUDE PRAVO] The Second Memorandum on the Slovak Nation was declared in Martin on Saturday [8 June]. What is your view of the demands contained in it?

[Carnogursky] Independence for Slovakia in the manner demanded by the Second Memorandum would represent a threat to Slovakia because it would lead the country into international isolation, foreign pressure on Slovakia would increase, and—under its influence—the Slovak Republic's domestic disputes, the ones already in existence here, would intensify abnormally. I am not sure whether Slovakia could stand up to these internal and external pressures. Therefore, I do not approve of this Memorandum.

[RUDE PRAVO] Approximately 1,000 people are added to the Slovak unemployment register every day. The army of those who have lost their jobs and who fear for their future is growing. Are you not afraid that such a development may soon "shake" your government?

[Carnogursky] I admit to such a possibility, but no other alternative would be capable of dealing with Slovakia's economic problems to the same extent that the current government is dealing with them. Perhaps I should mention, shall we say, the Movement For Democratic Slovakia [HZDS], which is currently in the lead in public opinion polls. This Movement would cast Slovakia into isolation against everyone—with, perhaps, the exception of the Soviet Union—by its present line and current pronouncements. However, our government also has good relations with the Soviet Union, it is striving for them.

Moreover, at this stage the Soviet Union itself is incapable of substantially helping Slovakia resolve its economic problems. Therefore, the HZDS would not be the best solution. The same applies to the Slovak National Party, since it would not even be capable of winning over the majority of the Slovak population. On the contrary, its policy would lead to confrontation, let us say, in south Slovakia. And as far as the Communists are concerned—regardless of whether they are concentrated in the Party of the Democratic Left or are just communists in the general broader and traditional sense of the word—for 40 years they have languished in a different ideological world and in different economic concepts that are no longer implementable. Therefore, the Communists are incapable of running the economy better under market and democratic conditions. They would also lead Slovakia into international isolation—again, perhaps, with the exception of the Soviet Union—but what I already said in connection with the HZDS also applies here.

[RUDE PRAVO] Along with the overall growth in the number of unemployed, the demands for financial resources necessary to support them are also increasing. Do you have sufficient resources for this sphere for the

second half of the year, when the number of unemployed in Slovakia is supposed to rise considerably from the current level?

[Carnogursky] There is a consistent amount of financial resources, but it just depends on how they are distributed. Four or five years ago we held a seminar in Bratislava on social equality. This was under dissident conditions. In the discussion at that time, the opinion was expressed that, during a social crisis, introducing social equality by administrative means is justifiable. We are probably coming close to such a crisis situation. We are already partially in a crisis situation and it may even get worse. In such a case, society will probably have to accept greater social equality. This means that a certain minimum must be guaranteed, but, consequently, the maximum will not be allowed to increase; that is, there will be a certain leveling off of incomes. However, this will obviously be unavoidable as a temporary solution.

[RUDE PRAVO] What does the Slovak government intend to do to revitalize the economy in Slovakia?

[Carnogursky] If we do not take into account the general measures included in the scenario for economic reform—measures that also envisage revitalizing the economy—such as support for privatization, support for small and private businesses, and also support for large enterprises through loans, guarantees for loans, and so on, we in the government have approved the interim distribution of 3 billion korunas from the budget surplus. More money will, perhaps, be distributed in the future if we have it. These are specific measures to revitalize the economy.

[RUDE PRAVO] The tenth annual conference of the Institute For East-West Security Studies—which ended in Bardejov on 9 June—was a new element on our political scene. What is your view of its course and conclusions?

[Carnogursky] We were pleased to accept the offer from the above-mentioned institute to hold this conference in Bardejov because we were aware of the opportunities that it would bring to Slovakia. The conference gathered people from all over the world—people who have an overall view of trends popular in the world—in Bardejov for several days. They spoke about them and our people had an opportunity to become familiar with them. Let us hope they will use this knowledge to include their smaller global problems in global trends because, in such an instance, they will resolve their non-global problems more easily.

At the same time, this event gave us an opportunity to introduce Slovakia a little to the wider world. Finally, our people had an opportunity to see how a large international conference is organized.

[RUDE PRAVO] You held talks with Polish Prime Minister Bielecki in Bardejov. What about? The issue of establishing a common Czechoslovak-Polish-Hungarian television channel caught our attention. Could you give us more details on this?

[Carnogursky] This was my first meeting with Prime Minister Bielecki. We briefed each other on the situation in our countries. On the Polish political scene, the changeable political base of the current Polish Government is worthy of attention. It is composed less of the Center Accord—which was Walesa's own base—and more of Mazowiecki's political block (the Democratic Union). This fluctuation in the political base is, obviously, the only stable signal in all the former communist states. However, Poland, Czechoslovakia, and Hungary are faced with a fundamental choice. That is, whether they will endeavor to enter the European Community as quickly as possible and, as the case may be, individually and in competition with each other, or whether they will attempt to intensify their coordination and cooperation, establish some kind of economic and political region here, and then enter this into the European Community. In my opinion, we would manage to achieve better conditions for our inclusion in the European Community with the second alternative than if we were each to strive for this on our own. Practically everyone in these three states realizes this, but it is difficult to define the specific steps that would lead to this second alternative. We will have to be content with tiny little steps. Obviously, one of these could be the above-mentioned common television channel made up, for example, from popular and folk music concerts to detective serials with the proviso that the "culprits" would be from each of the above-mentioned countries in turn! Of course, I am only joking. Implementing this idea will depend, first and foremost, on whether or not we have sufficient funds.

[RUDE PRAVO] Reports have been published that you were "installed" as Slovak prime minister by the Public Against Violence movement and not by the Christian Democratic Movement [KDH], whose chairman you are. Is this true and, if it is, do you have any problems with it?

[Carnogursky] No, it is not true. The following is the truth: In connection with the reconstruction of the government, we in the KDH Presidium agreed that we would nominate our leading functionaries for the post of Slovak prime minister. I was also nominated. During the negotiations with our coalition partners, support was expressed for me, and so our originally broader selection was reduced to me.

[RUDE PRAVO] Permit us to ask a blunt question. People are afraid of the Carnogurskys' power. What do you have to say about this?

[Carnogursky] We entered our posts in a democratic manner. If you can ask such a question and can publish the question and answer, then the threat is not so serious.

[RUDE PRAVO] Every individual has some way of "recharging his batteries." What is yours?

[Carnogursky] I admit that, being within my family circle, when I do not have to study anything or work on anything, it is a "battery recharge" for me. As a student I used to run and even competed in middle distance events. When I have the time, I go jogging. However, I have very little free time, as the government keeps me very busy.

[RUDE PRAVO] Thank you for the interview.

Privatization of Czech Industry Explained

AU1906123791 Prague HOSPODARSKE NOVINY in Czech 18 Jun 91 pp 1, 2

[Blanka Ruzickova report: "Who Will Be in the First Wave?"]

[Excerpts] The value of property to be privatized in the Czech Republic is estimated at 550 billion korunas. Of this sum, enterprises administered by the Czech Ministry of Industry account for about 360 billion. The great majority of them will be transferred into private hands within the framework of large privatization.

Preparations for this step were the subject of Minister [of Industry] Jan Vrba's news conference in Prague yesterday. The lists of enterprises selected for large privatization will be published in July. Within the department of the Czech Ministry of Industry, this should concern 1,321 enterprises. Enterprises that have been selected for small privatization as well as enterprises facing liquidation will not figure in the lists. Nor is the privatization of some special organizations, such as the Test Laboratory for Precious Metals, and of apprentice training centers being considered.

Large privatization of industrial enterprises will take place in two waves. The privatization schemes for the first group must be drawn up and submitted by 31 October 1991 and for the second group by 31 May 1992. More than two-thirds of enterprises within the ministry's jurisdiction are interested in joining the first privatization wave, which, according to Minister Vrba, is not feasible in view of the exacting nature of this task. [passage omitted]

In most cases, a combination of individual privatization methods will be applied—the coupon scheme, restitution or direct sale to original owners, sale through auction, combination of privatization with entry by foreign capital, transformation of state enterprises into corporations, mostly shareholding companies, and a subsequent privatization of the stake held by the state, and so forth. [passage omitted]

The Czech Ministry of Industry has prepared a program aimed at promoting direct entry by foreign investors. A team of foreign consultants from firms such as Bankers Trust International, Arthur D. Little, Arthur Anderson, or Squire, Sanders and Dempsey participates in the implementation of this program. This team will, among other things, help select enterprises that are suitable for entry by foreign capital. The list of these enterprises, too, will be published.

About 150 organizations administered by the Czech Ministry of Industry are currently involved in negotiations with foreign would-be investors. Since the beginning of the year we have managed to attract capital of approximately $0.5 billion for the revival of our industry. Minister Vrba estimates this year's need for foreign capital inflows at a minimum of $1.5 billion. The first privatization wave should therefore comprise enterprises that are getting ready for entry by foreign investors, such as CKD Blansko, the Prerov Engineering Works, Frigera Kolin, Zetor Brno, Gumotex Breclav, Spolana Neratovice, and others.

Minister Vrba described entry by foreign capital as the most important part of large privatization. At the same time he expressed fear about spontaneous transformations [of state-owned enterprises], during which enterprises might make the mistake of not choosing the right partner. He also pointed to the danger of corruption and dirty money. This is why one of the tasks of foreign consultants is to ensure that privatization proceeds correctly.

Assembly Considers Budget, Soviet Compensation

LD1806041991 Budapest MTI in English 1942 GMT 17 Jun 91

[Text] Budapest, June 17 (MTI)—During the special session of the Hungarian National Assembly, which began on Monday, Finance Minister Mihaly Kupa tabled a written report on the budgetary trends this year. Whilst elaborating the document, he pointed out that for the time being the revenues were not as planned, but expenditures can be controlled.

Kupa said he expected the alleviation of tension to come about once the trade with the Soviet Union and the East European countries had got underway. Among the problems, he mentioned that the unknown financial aspects of compensation and the faster than planned rise in unemployment. At the same time, he pointed out that the government had no intention of solving these problems by inducing inflation or raising taxes.

MPs decided to continue the first reading of the bankruptcy bill next week.

Parliament also decided on the order for debate of several bills submitted by the government. Accordingly, it was agreed to debate urgently under exceptional procedures the bill concerning the fulfillment of claims for the compensation of damage caused by the Soviet troops temporarily stationed on the territory of the Hungarian People's Republic. The bill on the implementation of Hungary's 1990 budget and the co-operative bill will also be put up for urgent discussion.

In his contribution prior to the agenda proper, Matyas Szuros of the Hungarian Socialist Party outlined the guiding principles for a novel type of policy to be adopted after the Soviet troop withdrawals. He stressed Hungary's prime interest is in maintaining favourable relations with the Soviet Union on the basis of equal rights and mutual advantages.

Before the closure of the Monday session, it was announed that Imre Konya of the Hungarian Democratic Forum had submitted the HDF's proposed amendment to the compensation law.

MTI Reviews Session

LD1906021291 Budapest MTI in English 1355 GMT 18 Jun 91

[Text] Budapest, June 18 (MTI)—The special session of Hungarian parliament continued on Tuesday with the second reading of the paragraphs of the Competition Law which were declared as unconstitutional by the constitutional court. The proposed amendments of the Hungarian Democratic Forum (HDF) were presented to the MPs on Tuesday.

Earlier, Agnes Nagy nee Maczo announced that she would leave the HDF benches and asked the speaker to provide a seat for her among the independent MPs. She justified her step with what she termed as the coalition's and prime minister's failure to identify themselves with Imre Nagy, the martyr prime minister of the revolution, on the anniversary of his execution on June 16. In her view, it could not be accidental that the commemorative speeches focused on the reburial two years ago rather than the 1956 events. Agnes Nagy nee Maczo criticized the prime minister for his failure to pay tribute to his predecessor at his grave. In her view, all this proved that the politicians had forgotten the people.

Speaker Gyorgy Szabad said that the MP's request would be met. He added that it was he who had laid a wreath on Imre Nagy's grave on behalf of parliament, while the government was represented by Peter Boross, minister of home affairs, since Prime Minister Jozsef Antall was abroad.

The forum's proposed amendments to the Compensation Law were put forward by Imre Konya, chairman of the HDF parliamentary group. In a move to bring the law into line with the Constitution, the strongest governing party set itself the objective of making amends for the injury caused by the laws passed after May 1, 1939. The amendments retain the principle that, due to the country, economic situation and limited potential, compensation should be gradual. Those suffering injury under laws enacted after June 8, 1949 should receive compensation in stage one, and the rest under a law to be passed by September 30 of this year.

In an effort to eliminate what was termed by the constitutional court as unconstitutional discrimination relating to arable land, the HDF seeks to extend the right to purchase land to all beneficiaries of compensation. The price would be specified through bidding rather than by law. The bidding would be open to the holders of compensation coupons.

The proposal is that the degree of compensation should not depend on whether someone wishes to buy land in exchange for his or her compensation coupon, or acquire property through privatization. The upper limit of full compensation would be 200,000 forints for both categories. Above that limit, compensation would increase at a degressive rate.

On behalf of the group of the opposition Alliance of Free Democrats [AFD], Ivan Peto described the time given to the AFD to put a well-thought-out position to parliament as inadequate. The Alliance will present its standpoint next week. Peto recalled that the governing parties had failed to put forward a uniform proposal, which was hindering the work of both parliament and the government.

Differences With USSR Over Troop Withdrawal

LD1806222391 Budapest MTI in English 0734 GMT 18 Jun 91

[Text] Budapest, June 18 (MTI)—Hungarian-Soviet expert talks on financial issues concerning the Soviet troops withdrawal from Hungary continued in Budapest on Monday.

Colonel Gyorgy Keleti, spokesman of the Hungarian Ministry of Defence told the daily MAGYAR HIRLAP, that the Monday talks had indicated a deadlock in the progress of negotiations. There are considerable differences of opinion between the sides on three basic issues.

The Soviets familiarized themselves with the nearly 10,000 pages of documents on the environmental damages caused by Soviet troops but their delegation in charge of environmental protection affairs consisted of one expert only as opposed to the Hungarian side's 15-member delegation. Several environmental protection experts are expected to arrive from the Soviet Union on Tuesday but they will probably start the talks on damages all over again, which will cause a considerable loss of time.

Another difference stems from the fact that the Hungarian side refuses to pay for 2,500 establishments of the several thousand ones built by the Soviets as these do not conform to Hungarian construction standards and the Soviets have not even asked for permission to build them, Colonel Keleti said.

The third issue on which the positions of the sides diverge is that the Soviets firmly refuse to pay for damages caused in historic buildings, saying they have taken over these buildings in the same way as other "ordinary" establishments.

Differences of opinion in themselves do not mean there is no chance of the sides coming to agreement. A lot depends on results of talks to be conducted in the next few days, Colonel Keleti stressed.

On the Soviets' behalf, the negotiating delegation is headed by Lieutenant General Viktor Shilov, who, according to information received by MAGYAR HIRLAP, will leave Hungary on June 19 as the last Soviet soldier, but after a two or three-day stay in Munkachevo (Munkacs), he is to return to Hungary as commissioner of the Soviet government.

Defense Official on Withdrawal

LD1906224791 Budapest Kossuth Radio Network in Hungarian 2000 GMT 19 Jun 91

[Text] The Hungarian negotiating team wants to divert the discussion on the financial implications of the Soviet troop withdrawal to political-diplomatic levels instead of the military-professional approach it has adopted so far. Miklos Vasarhelyi said this at the National Assembly's foreign affairs committee meeting after he had announced that a foreign affairs ad hoc committee will join in the work of the government delegates.

Vasarhelyi, as chairman of the committee, said that we have to prepare for hard bargaining in a very tense atmosphere because, for example, the Soviets doubled their demands from one day to the next, raising it to 100 billion forints. The deputy did not specify the exact final sum of Hungary's demand and doubted that the final documents on the accounts will be ready as planned for next Tuesday [25 June].

General Antal Annus said that if no agreement about the financial accounting has been reached by the originally-set deadline, then neutral international experts will be asked to settle the disputed questions.

'Last' Departure Reported

LD1906141491 Budapest MTI in English 1312 GMT 19 Jun 91

[Text] Budapest, June 19 (MTI)—On Wednesday at 15.01 hrs (Central European Time), the last Soviet soldier left the territory of Hungary.

Defense Minister on European Security, Withdrawal

LD1906214191 Budapest Kossuth Radio Network in Hungarian 1630 GMT 19 Jun 91

[Interview with Defense Minister Lajos Fur and Major General Imre Karacsonyi, deputy head of the delegation negotiating the Soviet troop withdrawal, by Jozsef Laszlo; place and date not given; from the "Extra" program—recorded]

[Excerpts] [Laszlo] Mr. Minister, in the course of Hungarian history, in the history of the Hungarian republics, this is the first time that there have been no foreign troops stationed within Hungary's borders. What does a minister of defense feel?

[Fur] He virtually gets goosebumps from the idea, from what he feels, because he is not only able to value this exceptional moment of history as minister of defense, but as historian too, who has an overview of centuries of Hungary's past, and is able to sense that since 1526, 1541, very rarely has there been a moment when Hungary was really free and sovereign. What existed between 1920-40 was a Hungary that had been stripped of large areas by the Peace of Trianon. We could amost say that it gained its independence at the cost of losing a large proportion of its historical territories. However, this ceased on 19 March 1944, more precisely from 1945.

Now, an exceptional situation has emerged, as this small Hungary has regained its independence. A new era has begun in the history of the country, and of the Magyar Carpathian basin. We also must draw the lessons of all our previous failures; we must draw the lessons of the past 40-50 years—we, and I feel all our neighbors, everyone in this region, must learn so that with this regained precious treasure which is called sovereignty or independence we should be able to live, in this transitory situation too, in such a way as to ensure that this condition lasts.

[Laszlo] Mr. Minister, this period of transition, in practice, means for Hungary that, on the one hand it is not neutral, since we have not declared neutrality, and on the

other hand that it does not belong to any military alliance. This can pose dangers and also possibilities from a military policy viewpoint. In your opinion, what must the Hungarian Government, Hungarian defense, do so that the dangers do not turn out to be greater?

[Fur] We have been trying this for some months, as regards defense, but Hungarian foreign policy is doing this generally—it is seeking relationships vis-a-vis the neighboring countries and the countries of the regions, and is trying to conclude bilateral interstate agreements. On a military plane, it is seeking cooperation agreements for three years, five years, which, precisely in this transition period can create an atmosphere in the region so that possible conflicts that might arise here and there cannot become aggravated, so that they cannot lead to situations from which it would be difficult to retreat. Therefore, it is precisely these bilateral agreements that provide a guarantee in the transition period; they provide security for the region. We have concluded such agreements with Romania, Czechoslovakia, Poland, and Bulgaria, and we should like to conclude one soon with the most important power of the region, the Soviet Union, too.

[Laszlo] In the longer term, in your view, how can a new security order be devised that would guarantee that there is peace in Europe more successfully than has been the case until now?

[Fur] At the moment it is difficult to see this process, how it will happen, the organizations which will implement it. There are several of them in Europe—NATO, the EC, the European Common Market, the Western European Union. But, in my view, the most important organization, which could lead central Europe, and the whole of Europe as well, into a complete European security system, is the Helsinki Accord; that is, the CSCE. This could be important because it is the only organization at the moment—though it is not yet a really functioning organization—that includes all the countries of Europe, as well as the Soviet Union. If it can really become institutionalized, and create those political, economic, and other institutions that will dispel mistrust throughout Europe and guide us through this difficult period of transition—because, I emphasize again, this is not easy—then I feel this is the institution or organization that will be able to do it. Others will also assist in this—NATO and the other existing Western European organizations. But this is still a long way off, this is still some way away. [passage omitted]

[Laszlo] Mr. Minister, what do you think the chances are of a short-term agreement, since yesterday the Soviet side—in an unexpected turn of events—announced that it is demanding twice as much; that is, some 100 billion rubles?

[Fur] I could only utter generalities in this respect. [passage omitted]

But General Karacsonyi, who has been a participant in these affairs, negotiations, from the start, will perhaps be able to give more precise answers to this question.

[Laszlo] [passage omitted] How do these negotiations stand?

[Karacsonyi] Over the past 10 days, these negotiations started, continued, and ended extremely tensely. The cause of the tension is the fact that the Soviet side does not take into account the methodology accepted and signed by the two government commissioners on 8 April of this year. [passage omitted]

We consider it strange that the results compiled by 1,200 Hungarian ecologists over some 125,000 days of work, which we handed over to Lt. Gen. Shilov on 10,000 pages, were questioned by the negotiation partner without looking into it deeper. [passage omitted]

The Soviet troops caused ecological damage over the decades of their stay here. This damage may be estimated at many billion forints. The Hungarian side, in its objective assessment, is simply unable to allow statements estimating the damages at around two billion to pass without comment, when damages amount to three to five billion even at individual installations. [passage omitted]

I do not want to give more precise figures, so as not to influence the outcome of the negotiations. I do not want to make such a remark, that is, putting a figure to it, which is not checked by the Soviets. We emphasize our readiness to compromise, even by saying that they should bring here real, serious ecologists, environmental protection experts who should study the Hungarian documentation. [passage omitted]

[Laszlo] According to the agreement, all items of equipment [tarj] must be returned to the Hungarian state.

[Karacsonyi] It is my conviction that they will be returned. We have already asked the Soviet side once again to return these items urgently, return them to the Army, that will hand them over to the treasurer. [passage omitted]

I assume that this will take place by the 30th.

Government Approves New Energy Policy

LD1906154891 Budapest MTI in English 1130 GMT 19 Jun 91

[Text] Budapest, June 19, 1991 (MTI-ECONEWS)—The most important elements in the Hungary's new energy policy, zpproved by the government this week, a reduction in Hungary's dependence on imports, the diversification of imports, more efficient energy consumption—both through energy saving and the modernisation of production methods—the implementation of market principles and a reduction in state intervention.

The policy document splits the period up to the year 2000 into a transitional period and a subsequent period to consolidate market conditions.

Based on the present four-year economic programme, the economic recession is expected to continue this year but an upturn will see the GDP regain the 1989 level by 1993.

The document puts forward three scenarios, the most optimistic being that the restructuring of the economy will proceed quickly, with an annual 6-per-cent rate of growth in the GDP. Overall specific energy use will drop by 3.5 per cent, while the average annual energy consumption will grow by 2.2 per cent.

The middle variant forecasts a slower restructuring process, a 3-per-cent annual growth in the GDP, a 2.5-per-cent drop in overall specific energy use and an increase in energy consumption by not more than an average 0.5 per cent per year.

The least rosy view, meanwhile, foresees annual growth of only 1.5 per cent, as both the modernisation of outdated production facilities and the re-organization of state monopolies drag on. Overall specific energy use would increase by an average of only 0.5 per cent a year. The government sees this last version as something which the Hungarian economy must avoid at all costs.

Preliminary figures suggest that the total energy consumption can be projected at between 1,250 and 1,400 petajoules, the equivalent of 30-33 million tonnes of oil.

With 65 per cent of Hungary's current energy needs met through imports, prospects vary for increasing these supplies. Coal is available without restriction, natural gas can be imported only from the Soviet Union via the existing pipe network, and although the Soviet Union is now sending less crude oil to Hungary than before, the shortfall can be made up from other markets and transported through the Adria pipeline.

1,100 mw electricity is to arrive from the Soviet Union this year, a figure which is likely to be maintained over the next two to three years.

As concerns the coal industry, there are long-term plans to open new mines and to increase coal imports to replace output from loss-making pits which are to close. Household consumption is expected to fall from 5 million to 4 million tonnes, while total demand will rise to an annual 14-16 million tonnes by the end of the decade.

By 2000, oil production will have fallen from the 2 million tonnes to 1.5 million tonnes, while natural gas production is expected to fall from 5 million to 4 billion cubic metres. This will also have to be made up from imports.

Hungary used 11 billion cubic metres of natural gas last year, and will need 12.5-14 billion cubic metres in 2000, 8.5-10 billion cubic metres of which will be imported.

The current Hungarian electricity grid is capable of putting out only 15 per cent more electricity than the country's current demand, while electricity imported from the Soviet Union has fallen recently.

The new energy policy therefore also covers the issue of the domestic power plant development programme, taking the age and technical state of conventional power plants in Hungary and the loss of Soviet imports into consideration.

The construction programme has two elements, with priority being given to the construction of the open-cycle power plant, suitable for peak operation, or to the combined-cycle, gas-fuelled one, as such plants can be built at lower more cheaply and are both more efficient and less harmful to the environment than nuclear and coal-fuelled equivalents. However, such plants will increase the country's dependence on hydrocarbon imports.

Arpad Bakay, deputy state secretary for the Ministry of Industry and Trade, told a press conference that the government has not completely rejected the idea of building nuclear or coal-fuelled basic power stations, but short-term supply problems could be solved with gas-turbine power plants, which could be constructed within three years.

A decision on large-output basic power plants, which would take 8-10 years to build, is not so pressing, the deputy state secretary said.

Federation Will Not Participate in Coalition

AU1906123791 Budapest MAGYAR HIRLAP in Hungarian 17 Jun 91 p 3

["L.Z.S."-signed interview with Viktor Orban, faction leader of the Federation of Free Democrats; place and date not given: "Orban Denies He Is Preparing To Enter the Government—FIDESZ stands for MDF-SZDSZ Grand Coalition"—first paragraph is MAGYAR HIRLAP introduction]

[Text] During his recent talks with county leaders of the Smallholders Party, [prime minister] Jozsef Antall announced with a broad hint that, apart from the National Smallholders Party, there are other candidates for the government coalition, too. This hint could only have applied to the Federation of Young Democrats [FIDESZ]. Viktor Orban categorically denied the prime minister's suggestion in his interview with our correspondent....

[MAGYAR HIRLAP] How much truth is there in Jozsef Antall's implication? Is it, by any chance, FIDESZ who made the offer?

[Orban] The thought of joining the government has never emerged in the FIDESZ faction. According to our position of principle, our answer is no! Every quarter, our faction holds a comprehensive session to analyze the domestic political situation, and in the past year, we have always decided against joining the government. The next quarterly session of our faction, the so-called year-end session, will take place on 20 and 21 June, and we will make an overall

analysis of the domestic political situation. However, it is not even on our agenda to examine the possibility of joining the government coalition.

[MAGYAR HIRLAP] Nevertheless, one could hear similar hints in the past as well....

[Orban] This is not the first time that our prime minister made such a hint, but the Hungarian Democratic Forum [MDF] has never approached the FIDESZ with such an offer. Thus, we have not had this challenge yet; we could only deal with the matter on a theoretical level.

[MAGYAR HIRLAP] Still, on a theoretical level, what sort of government coalition would the FIDESZ welcome?

[Orban] According to our view, the inadequate composition of this government coalition should be replaced by an MDF-Alliance of Free Democrats grand coalition. Our opinion on this matter has not changed since January 1990.

[MAGYAR HIRLAP] In our insecure domestic political situation, what will happen to the six-party coordination talks that are referred to as the Moncloa talks? Rumor has it that this forum will fall to pieces at the plenary session on Tuesday, 18 June....

[Orban] A document-like summary has been prepared on the Moncloa talks up to now, showing which subjects the six parliamentary parties agree upon and which they do not. The parties received this assessment over the weekend. At its next faction session on Monday 17 June, the FIDESZ will formulate its view in preparation for the plenary session on 18 June. Some of the differences of opinion between the parties carry such weight that they jeopardize the continuation of talks. The primary issue is that of political guarantees.

[MAGYAR HIRLAP] Is this the question of possible signing of the final document by the leaders of the parties?

[Orban] Yes, that is one of the most difficult questions.

Ministers To Appear Before Security Committee

AU1906103691 Budapest MAGYAR HIRLAP in Hungarian 17 Jun 91 p 1

["L.Z.S."-signed interview with Laszlo Kover, chairman of the Parliamentary National Security Committee; place and date not given: "Antall, Boross, and Galszecsy at the Wednesday Hearing"—first paragraph is MAGYAR HIRLAP introduction]

[Text] On Wednesday, 19 June, a previously unusual event in central Eastern Europe will take place, namely: Prime Minister Jozsef Antall; Interior Minister Peter Boross; and Andras Galszecsy, minister without portfolio responsible for the National Security Office, will be heard in the Parliament's National Security Committee.

We asked Laszlo Kover what he expected to happen at the session to be held behind closed doors:

[MAGYAR HIRLAP] Will the prime minister stand in front of the committee?

[Kover] As far as I know, Jozsef Antall will come before the committee. His hearing could not take place earlier due to his other engagements.

[MAGYAR HIRLAP] Although the meeting will be behind closed doors, what will be on the agenda?

[Kover] As the situation is changing from day to day—for example the Bereczki case came to light after the Torgyan case—obviously, many questions have emerged that our committee considers important to discuss with Jozsef Antall, Peter Boross, and Andras Galszecsy.

[MAGYAR HIRLAP] What are these questions more precisely?

[Kover] We have to clarify what methods were used at the well-known integrity examination of the members of the Independent Smallholders Party [FKgP], and what the government's official view is on the possibility of satisfactorily settling these affairs. We will especially bear in mind the contradictory statements made precisely by various government members on the authenticity or otherwise of the former Interior Ministry's lists. We will also have to clarify how the integrity examination of the FKgP members affects the bill on the "III/III-case", which was submitted to the Assembly by our government.

[MAGYAR HIRLAP] What do you expect from the hearing?

[Kover] I am eager to find out how the government members who appear at the hearing will assess the domestic political situation created by this whole affair, and what they think about the possibilities of getting out of this situation.

MTI Profiles Joint Spanish Economic Ties

LD1806201691 Budapest MTI in English 1412 GMT 18 Jun 91

[Text] Budapest, June 18, 1991 (MTI-ECONEWS)—Economic and commercial contacts received special emphasis during Prime Minister Antall's one-day visit to Madrid, the press were told in Madrid yesterday.

The Hungarian premier considers that opportunities for cooperation are best in the food, processing and packaging industries, while Spain would welcome Hungarian participation in the plastic processing, engineering, food and building industries and in transport.

Mr Antall stressed that the Hungarian Government would be ready offer special preferences if Spanish investors concentrated on specific regions of the country.

The Hungarian premier said that those who saw Hungary as a competitor to Spain in the agricultural markets of the EC or other countries were wrong because, due to climatic differences, Spanish and Hungarian food products do not appear on the market at the same time. Felipe Gonzalez assured Hungary of Spain's support in winning associate and eventual full membership of the EC. Hungarian-Spanish trade totalled 105 million USD last year, with Hungarian imports amounting to 41 million USD. There are currently 20 Hungarian-Spanish JVS, [joint ventures] mainly in trade and servicing, most of which operate with small capital. Of the 64 million USD Hungarian exports, 10.3 million usd were agricultural and food products. Half of the Hungarian agrarian exports were meat products, mainly beef and poultry.

Hungarian imports of agricultural and food products from Spain last year were 11 million USD and consisted mainly of wine, ground paprika and sausage skins.

Dam Negotiations With CSFR Postponed

LD1706165291 Budapest Kossuth Radio Network in Hungarian 1000 GMT 17 Jun 91

[Text] Negotiations on Bos-Nagymaros will be held only after Prime Minister Calfa's visit to Budapest. Evelyen Forro reports from Bratislava:

[Forro] According to Bratislava sources, there will be no Hungarian-Slovak negotiations about the Bos water barrage this month. The original idea of the Slovak government was to hold talks with the Hungarians in June and to make the construction of the canal diverting the flow of the Danube dependent on the outcome of those talks. Every sign indicates that the delegation, headed by Jan Carnogursky, head of government, will wait until Marian Calfa, federal prime minister, visits Budapest. It is only after this that they want to hold an exchange of views with the Hungarians. Not only the date, but the place as well, is unclear as yet. The Slovak side is expected to propose Komarno or a castle in Slovakia. It is thought that Vavrousek, federal minister of the environment, and (Kocinger), the government commissioner of the Bos water barrage, will attend.

Yesterday, at a rally in Vojka nad Dunajam demanding a halt to the construction of Bos, it was said that according to their information 15 cm of water will be allowed into the canal at the start of next month. Vehicles and buses have been able to cross the canal until now, but if it is filled with water, they will no longer be able to cross, which means that residents of Vojka, Bodak, and Doborlak would be cut off from the outside world and only able to get to their workplaces via a long detour toward Bos.

CSFR Tariffs Would Prove 'Surprising'

LD1906020291 Budapest MTI in English 1455 GMT 18 Jun 91

[Text] Budapest, June 18 (MTI)—If Czechoslovakia introduces EEC-type protective tariffs on agricultural imports, as it is reported to be considering, this would have an adverse effect on Hungary's agricultural and food exports, an official from the Hungarian Ministry of International Economic Relations told MTI today. Gabor Gernyi, deputy head of department, said that for the past few years, Hungary has exported agricultural products worth 4,000-5,000 million forints a year to Czechoslovakia. The introduction of protective tariffs would be surprising given that talks on establishing a Hungarian-Czechoslovak-Polish free trade zone are currently underway, he added.

'No Progress' in Talks on Soviet Pullout

AU1906132991 Warsaw GAZETA WYBORCZA in Polish 17 Jun 91 p 2

[Dariusz Fedor report: "They Only Agreed On Transit"]

[Text] No progress has been achieved in talks on the withdrawal of some 50,000 Soviet troops from Poland, we were told by people close to the government on Saturday 15 June].

The eighth round of talks in Moscow failed to establish a deadline for the end of the pullout, nor was any agreement reached as to the conditions for transferring to Poland the assets that the Soviet troops will leave behind. The greatest amount of progress so far has been achieved concerning the transit through Poland of some 1.5 million Soviet troops from the former GDR.

Talks on the transit and pullout of Soviet troops are already into their eighth month. The greatest success in these talks so far is that on 23 February, Polish State Railways and the Soviet Ministry of Transportation concluded an agreement on the cost of the rail transit.

We were told that Poland is expected to earn about $600 million from the rail movement of 350,000 troops, 100,000 civilians, and 6 million tonnes of military equipment, and that the statement by General Viktor Dubynin, commander of the Soviet forces in Poland, that this operation will cost the USSR about $3 billion is nonsense.

Thanks to the above agreement, a restricted transit (restricted because no troops are being moved, only equipment) has already been in operation for three months.

No actual schedule for the evacuation has been agreed yet, nor has it been decided what will happen to the Soviet facilities left behind. Most important of all, no date for the end of the entire operation has been fixed. At the start of the talks the Polish authorities said they wanted the pullout to be completed by the end of this year, but the Soviet side insisted this could occur no sooner than 1994. According to our unofficial sources, the stances of both sides are now closer to each other; Poland has said the troops may now pull out by the middle of 1992, and the USSR wants them to do so by the end of 1993.

The problem of Soviet military property in Poland has still not been resolved. Poland has suggested that this property be valued by a firm of Western consultants or bank, but there has been no reply to this.

Neither has the problem of Soviet damage to the Polish environment been resolved, but we understand that Poland is ready to abandon claims for compensation in exchange for the Soviet assets left behind by the departing troops.

The next, ninth round of talks will take place in Warsaw on 9 July.

General Stresses Trade With Soviet Army Illegal

LD1806041291 Warsaw PAP in English 2134 GMT 17 Jun 91

[Text] Warsaw, June 17 —The office of the government plenipotentiary for the stay of Soviet troops in Poland said Monday trade with units of the northern group of the Soviet Army stationing in Poland was illegal. The office points out to the growing cases of re-selling goods, movables and property by units of the Soviet Army in Poland. These activities contradict Poland's legal order and intergovernmental agreements. Also, such an activity brings losses to Poland and unsubstantiated profit to the Soviet Army (imports without paying customs duty and turnover tax).

Government plenipotentiary for the stay of Soviet troops in Poland Gen. Zdzislaw Ostrowski addressed thrice the commander of Soviet troops in Poland to bring about the giving up of this illegal trade but his letters remained unanswered. Should practices of this kind grow, the question "is suitable for being settled through diplomatic channels," a spokesman for the plenipotentiary wrote.

Foreign Investment Conference Held

LD1806041191 Warsaw PAP in English 2037 GMT 17 Jun 91

[Text] Warsaw, June 17—Chairman of the "Poland" working group in the eastern commission of the German economy Helmut Wiehn said during a Polish-German conference on investments here Monday [17 June] that the entry of foreign capital into Poland was not selling out this country but offering a chance for economic success. He said that psychological barriers blocking the road to foreign investors should be overcome in Poland. He added that legal differences preventing foreign firms from purchasing land should also be removed.

The Warsaw conference, held on the day of signing the Polish-German good neighbourliness treaty in Bonn, was organized under the auspices of Polish Deputy Premier Leszek Balcerowicz and German Economics Minister Jurgen Moellemann.

Germany is now Poland's biggest trading and coproduction partner, with a 473.2-million-Deutsche-mark surplus achieved in the Polish-German trade last year.

So far, over 1,000 Polish-German joint ventures have been set up in Poland, accounting for 35 per cent of the total number of permits, and the value of the invested German capital amounts to 110 million dollars.

Solidarity Fails To Recognize Road Strike

LD1906145991 Warsaw PAP in English 2250 GMT 18 Jun 91

[Text] Warsaw, June 18—Road workers using heavy lorries and trucks blocked for over an hour Tuesday [18 June] several major roads all over Poland to protest delayed reforms in road building and maintenance companies and a threat of mass lay-offs. However, the government, the road maintenance management and the Solidarity union national authorities did not recognize the protest as legal. After Tuesday cabinet meeting head of the government press office Jacek Kozlowski reiterated the government's readiness to negotiate with unionists on June 20, as planned. Yet in his opinion the blockade staged at a time when the date for negotiations was set shows that social protests border on lawlessness. The blockade was one of several protests actions staged throughout Poland Tuesday, and perhaps the most spectacular. Over 40 factories of the central Lodz province joined a two-hour warning strike declared by the regional Solidarity protesting lack of guarantees of pays for crews in state-owned entertprises. Representatives of Lodz crews are to hold negotiations with government on June 20. In a letter to President Lech Walesa representatives of the crews and unions of the Rozbark colliery in Bytom, southern Poland, asked him to use his authority and prerogatives to change the tax policy vis a vis mines. Solidarity leader of the Silesia-Dabrowa region (southern Poland) Alojzy Pietrzyk said in a letter to the Sejm (lower house) speaker that continuing attempts to deprive miners of their social gains, above all the right to early retirement may result in a major outbreak of discontent in collieries. Meanwhile, leaders of the Federation of Miners' Unions declared a strike readiness in mines affiliated in the federation, and the Silesian-Dabrowa regional Solidarity-80 union set up a strike committee demanding changes in the economic and social policy in the country. The Belchatow power plant supported the protest action initiated by the Kozienice and Polaniec power plants and called on other power plants across the country to join the action. In the central province of Czestochowa, teachers staged strikes Tuesday at 15 schools of the province already. However, normal lessons started also Tuesday in the northern region of Bydgoszcz where teachers ended their week-long strike but go on with a strike readiness.

OPZZ on Remuneration, Talks With Government

LD1806041491 Warsaw PAP in English 2226 GMT 17 Jun 91

[Text] Warsaw, June 17—The All-Poland Alliance of Trade Unions (OPZZ) Council Monday [17 June] said the lowest remuneration could not be lower than the one including all actual expenditures. In its related stand, the OPZZ Presidium said the government proposal supported by Solidarity could not be accepted as it included only basic expenditure (food, accomodation and fares).

Also, in a separate development, the OPZZ explained that due to its press office's misinformation their talks with the government scheduled for Monday were in fact to be held with the Ministry of Labour and Social Policy representatives. The ministry press spokesman said in turn the date was not agreed upon but stressed that "the government side was ready for talks and considered this incident as misunderstanding."

Sejm Warned Against Prompting Party Rivalry

LD1906150691 Warsaw PAP in English 1252 GMT 19 Jun 91

[Text] Warsaw, June 19—As the new election bill is waiting for its approval by the Senate (upper house) and the president after the heated debate between the president and Parliament over its shape last week, Senate Speaker Andrzej Stelmachowski suggested that the Sejm (lower house) and the president may simply misinterpret their own intentions. "The Sejm, fearing that the president aims at creating a system of authoritarian rule, takes up an action of resistance towards the presidential moves, thus energetically undercutting the branch on which it is sitting, while the president, when taking a conflicting action, actually wants to strengthen the position of the Sejm," Stelmachowski wrote in the RZECZ-POSPOLITA daily on Wednesday [19 June]. The Senate speaker further explained that "by stubbornly striving for a proportional election law, the Sejm opens up the road to rivalry among small parties, which poses a threat of weakening the Sejm and the government. On the other hand, the president wants an election law which does not fully reflect election moods and would rather see larger and stronger political parties, which in turn would have to lead to the formation of a stronger cabinet, thus weakening the president's position."

Office Reports State Budget Deficit Worsening

LD1906150291 Warsaw PAP in English 2213 GMT 18 Jun 91

[Text] Warsaw, June 18—The main planning office (CUP) reported here on Tuesday [18 June] further deepening of the state budget deficit resulting primarly from falling tax incomes from state enterprises. Low level of budget expenditures has severely affected the functioning of such budgetary spheres as the health service, welfare and education. In an analysis of economic results in the first five months of this year CUP recorded further drop of production. The average daily value of industrial production in May was nearly 15 per cent down on the same month of 1990. The total value of industrial production during the first five months of this year was by 8.6 per cent lower than in the same period of 1990. CUP also said that state sector real incomes have fallen by 26 per cent since December, while population's expenditures increased in May by 4.4 per cent.

Iliescu Receives Moldovan President Snegur

AU1906154291 Bucharest ROMPRES in English 1328 GMT 19 Jun 91

[Text] Bucharest ROMPRES, 19/6/1991—An interview is under way in Bucharest between President Ion Iliescu and the president of the Republic of Moldova, Mircea Snegur, on his way to Geneva.

The two heads of state are expected to approach specific aspects of the collaboration between Romania and the Republic of Moldova.

The two heads of state also met during the visit President Mircea Snegur paid to Romania in February this year, a visit President Iliescu assessed as a moment of "crucial political and historical significance," while the joint communique concluded on the occasion as a "significant moment in building up new relations between Romania and Moldova in the context of the political and economic changes taking place in each of them."

During his visit—the first official one after taking over the post (1990), President Snegur conducted talks with President Iliescu and informed the parliamentary chambers in a joint session about the essential political and economic problems of the Republic of Moldova, expressing Bessarabia's readiness for an intense collaboration with Romania and noting the expansion of cultural ties, a domain in which the two states "work like a confederation."

Mircea Snegur also visited the Moldovan towns of Iasi, Suceava and Piatra Neamt, including Putna Monastery, where the tomb of outstanding Voivode Stephen the Great (1457-1504) is.

At a press conference held in Chisinau [Kishinev], President Snegur assessed his visit to Romania as "historical" and the interviews he had with Romanian officials as "warm" and "particularly touching," mentioning that they ended in "on-the-spot understandings at all levels."

The visit of the Republic of Moldova president paved the way for a series of meetings between the two countries' government members like those between Premiers Petre Roman and Mircea Druc, Foreign Ministers Adrian Nastase and Nicolae Tiu, Justice Ministers Victor Babiuc and Alexei Barbineagra, Culture Ministers Andrei Plesu and Ion Ungureanu, and the latest one between Interior Ministers Doru Viorel Ursu and his counterpart Ion Costas.

The cooperation between the two Romanian states sees steady development. A Permanent Secretariat for Relations with the Republic of Moldova was set up at the Romanian Foreign Ministry, which aims at controlling activities on an economic, cultural, political and human affairs line. Decisions were made to open other four crossing points and simplify crossing formalities, create consulates in Iasi and Chisinau, organize economic activities in the border area, grant technological construction material lines, expand links in education (1,150 students and 1,200 pupils attend learning units in Romania this year with scholarships granted by the Romanian state).

Quite recently (June 16) the second action "Flower Bridge Across the Prut" was organized by the League for the Unity of Romanians Everywhere, which was considered a great success. More than 500,000 citizens of the Republic of Moldova and numerous officials crossed the Prut without passports and took part in cultural, artistic and religious actions in the neighbouring areas.

Snegur Makes Statement

AU1906175091 Bucharest ROMPRES in English 1655 GMT 19 Jun 91

[Text] Bucharest, ROMPRES, 19/6/1991—The president of Romania met the president of the Republic of Moldova who stopped over in Bucharest on Wednesday [19 June] at noon on his way to Switzerland.

"We exchanged information on questions of concern at present, especially those related to the integration of the Republic of Moldova into Romania in all areas," Ion Mircea Snegur said after interview. "All the statements made so far remain in force: the creation of a hundred joint enterprises in all economic fields and simplified forms of border crossing. It is with regret that I have to say that in this area we are still in the realm of intentions as there are obstacles that need surmounting. There is no need to mention spiritual integration, the so-called cultural federation and I think that the outlook on the existence of two states where the same language is spoken and on their integration is most realistic and it is our duty to translate it into fact."

In another string of ideas, the president of the Republic of Moldova said: "as you know, we do not participate in the 'Nine Plus One' formula, we do not adhere to the Union Treaty as we do not like it, we do not take part in the achievement of a renewed federation. Our formula is that of a confederation of sovereign states, to which not only the union republics within the Soviet Union but other countries as well could take part."

Answering a question referring to the results of the presidential elections in the Russian Federation, Mircea Snegur opined that in Boris Yeltsin Russia had a democratic leader, a president who wants the independence of the Russian Federation and the preservation, expansion and deepening of mutually advantageous links with the other sovereign republics. "Although the official results were not released I thought it proper to already congratulate Boris Yeltsin," he also said and added that the Republic of Moldova had concluded a friendship and assistance treaty with the Russian Federation, along with an intergovernmental economic agreement. "I consider Russia will maintain its links with Moldova and, as a proof, we had interviews with businessmen from the Siberian region of Tiumen wherefrom we import a lot of oil, timber and others. This is a proof that no formula may oppose the obtainment of independence and the

maintenance of mutually advantageous links," the president of Moldova also pointed out.

Referring to the presence of Soviet troops in the territory of the Republic of Moldova, President Snegur said: "right after the arrival of the troops I sent a telegram to the president of the republic and to the interior minister. The telegram had tremendous effect. The troops disappeared immediately. President Gorbachev offered no explanation but the first deputy interior minister said it had been a forced landing as weather conditions in Odessa, where the troops were supposed to go, had been bad. The first deputy interior minister's reply was not confirmed as "KOMSOMOLSKAYA PRAVDA" wrote weather conditions had been favorable for aircraft landing. Therefore, I think those troops had another goal and in order to have a correct answer several things have to further looked into."

Foreign Trade Activity Criticized by Government

AU1906202591 Bucharest ROMPRES in English 1947 GMT 19 Jun 91

[Text] Bucharest, ROMPRES, 19/6/1991—The state of the country's foreign trade was in the focus of the Wednesday [19 June] session of Romania's government chaired by Prime Minister Petre Roman.

On the basis of a report read by the relevant minister, Constantin Fota, the members of the government examined a proposal concerning foreign trade development strategy over 1991-1992. The activity carried out so far in the field was criticized as was the lack of contacts with foreign commercial agents.

Questions related to the policy of granting import-export licenses pursued by the relevant department of the tourism and trade ministry were discussed.

The executive recommended that the foreign trade activity be better correlated with the objectives of the government's programme of reform.

Some of the basic data set forth in the report were assessed as insufficiently substantiated, the prime minister requesting a reevaluation on the basis of the observations and proposals made during the meeting.

The proposals made to eliminate the deficiencies in tourism activity stemmed also from the critical remarks made as regards the immobilism of the agents that took over the former patrimonies without adjusting cooperation with foreign agents.

The government surveyed the conclusions of the Ministry of the Economy and Finances in connection with the prices of some imported goods.

The government re-examined and adopted several bills that are to be submitted to Parliament. They refer to the regime of free ports and zones, life and property insurance, measures to protect forests and game.

Iliescu Answers NEPSZABADSAG Letter

AU1906152491 Bucharest ROMPRES in English 1259 GMT 19 Jun 91

[Text] Bucharest, ROMPRES, 19/6/1991—"I have pondered a lot over whether it is worth answering the so-called open letter you addressed to me in the NEPSZABADSAG newspaper. I have however decided not to let unanswered the insinuations contained in the article" reads a letter addressed by Romania's President Ion Iliescu through the press to Bodor Pal, a Hungarian man of culture, born in Romania mentioning the procedure often employed "by those who advocate doubtful causes and only pursue to discredit the collocutor [as received] or opponent", the president cautions that Mr. Pal builds his article upon an alleged assertion he attributes to the Romanian head of state, according to which the Hungarians in Romania were compared with the immigrants in the U.S. The president suspects the source could only be the talk Mr. Iliescu had with representatives of cults of the Hungarian population in Romania, during which he said with respect to the minorities' condition that incompetent opinions are not relevant nor can comparisons be struck between states of affairs that do not compare, as it is known that such a large minority like the Spanish-speaking minority in the U.S. does not claim either tuition in Spanish or the use of the Spanish language in administration or in the judiciary. In the United States of America—a multinational statal [as received] conglomerate—all citizens accept only one language of communication—the English language. So, that situation may not be a term of reference for the situation in Romania. "So, you may note a quite different standpoint from what you are attributing to me", the president mentions.

"I am sad to note the haste with which you engrossed yourself in writing the 'Open Letter'," the president mentions, "starting from a false assumption and without avoiding offending assessments, including the comparison with Ceausescu and a whole plea against my alleged hostile position toward the Hungarian population in Romania. It is the more deplorable as you remember in your article our past interviews and talks, when you had the opportunity to know my way of thinking and my feelings, which could have induced you at least to be more reserved in coming up with rash assessments and even invectives."

"I have to note", the president writes, "that you purposefully misinterpret and present in a distorted manner also other positions of mine", such as the allegation "that I consider the tuition in the mother tongue of the national minorities as an instance of separatism, or that I am of 'the most narrow-minded nationalism'. Or I must note that it is precisely your accusations, which were not by mere chance launched right on the eve of the Hungarian Democratic Union of Romania [UDMR] Congress, that show passionate nationalism and are obviously inciting."

"I feel I have to warn you however that the population in Tirgu Mures seems to have understood better than you the need to defuse inter-ethnical tensions.

"The people—Romanians and Hungarians alike—want quiet, Mr. Pal, which is what demonstrated also the UDMR congress that proceeded peacefully."

"For all these reasons, and for other ones, it seems to me at least exaggerated that you should speak of 'despair and hopelessness of the Hungarians in Romania'. We surely understand the frustration experienced by a part which is by no means unimportant of our fellow citizens, both Romanians and Hungarians and people of other nationalities, that have to cope with the great difficulties generated by the current stage of radical transformations".

"...Maybe I should have treated the ill will, even the malice showing in your article the way they deserve—by silence.

But I have always thought dialogue to be the means of rapprochement among people and I will remain truthful to this idea", President Ion Iliescu concludes.

Iliescu Addresses Tulcea Gathering

AU1906114891 Bucharest AZI in Romanian 15 Jun 91 p 3

[Unattributed report on President Ion Iliescu's statements during visit to Tulcea on 13 June; headlined "Who Sent the Country Down the Drain?"]

[Text] On leaving the headquarters of the Tulcea prefect's office, a group of some 1,500 people waited for Mr. Ion Iliescu outside, applauding and chanting pro-presidential slogans. At one point, someone from the crowd shouted: "You sent the country down the drain," which prompted the president to speak to those present. Among other things, he said the following:

"I am not intimidated by such remarks. Indeed, the whole country is going through a difficult period. We are in a process of change in the economic, social, political, and moral spheres, that requires costly efforts. We face and still must overcome many hardships, but we will overcome them only through unity, by closing ranks and using our reasoning and creative potential. Of course, we cannot proceed on this road with people who, all this time, have only sought to undermine the reconstruction effort and have only promoted slander and calumny, out of mean group, party, or individual interests. However, we want to proceed along this road with all forces. We are not hostile to anyone.

"I met with the representatives of all political groups and trade unions. We realize that we differ substantially on many issues. This makes life interesting, namely that we are not alike; however, the important thing in this diversity is to learn to respect and listen to each other and to strive to combine our interests and turn divergent interests into convergent ones. Beyond the differences of choice, vision, and opinion, there are the interests of the majority and the country. Those are the national interests. Let us all be of service to them! You see, due to various convulsions—some of which were created artificially—and due to the state of tension deliberately maintained by certain groups, we are also faced with difficulties abroad. I have said that on quite a few occasions. I looked at our emigre circles, both in America and Europe. Well, do not the Magyars living in our country also have their own differences of opinion? Do they not clash on various economic and social problems? However, when external interests are at stake, they act in unity, and all the Magyar emigre circles, particularly those in the United States, do their best to support Magyar interests in that country. There are also good Romanians among American emigre circles. However, there are also some in America who slander the country in America. So, what does the United States know about Romania? They know that we have handicapped children, miners, social convulsions, and the Tirgu Mures events, where Romanian assassins mistreated Cofariu. This is what the American man in the street knows about Romania, and this is what some people do today [sentence as published]. Take the daily ROMANIA LIBERA. You remember my appeal to the press. In vain. What does that daily claim? That the power is to be blamed; the power has provoked the June confrontations; and Iliescu called the miners and prodded them to beat up the students. If we continue to maintain this state of tension, where will we be? We must wake up! We should criticize those who fail to do their duties and should combat corruption, criminals, and profiteers. One should criticize the government or the national and local administration when mistakes are made. However, when the country's interests are at stake, we should be united. We are nobody's lackeys and will not bow to those who want to give us orders about how to organize ourselves. We have a long history of being ordered around by others—either by the Ottoman Empire, or the Austro-Hungarian Empire, or the Russian Empire. Nowadays, there are other empires that want to give us orders. Some pretend to teach us lessons in democracy, while behaving undemocratically when they attach political conditions to economic relations. We will not accept such a thing. We must learn to respect ourselves as a people and nation, to make others respect us, too. It is better to overcome difficulties on your knees than to kneel down before others.

"I understand that there are and there will be difficulties. I also talked to the people from the industrial sector. I am aware of your hardships: this problem of the gap between prices and purchasing power, as well as the danger of unemployment. We must consider these hardships from all viewpoints—both at the overall and local levels—and should see what we can do to ensure employment for the people. If we increase and improve production, we will be able to keep prices in check. But this depends on our work, the work of us all. We should close ranks to overcome our difficulties together. I can see that

a realistic approach to things is predominant here, that people understand the inherent difficulties and want to work, because only thus will we be able to ensure a better life. I will you all the best!"

Iordache Criticizes National Salvation Front

AU1606184591 Bucharest ROMANIA LIBERA in Romanian 12 Jun 91 pp 1, 2

["Exclusive interview for ROMANIA LIBERA" with Claudiu Iordache, former first vice president of the National Salvation Front, by Florin Gabriel Marculescu: "The Lack of Lucidity of a Government Trying to Save Itself at All Costs"—on 10 June in Bucharest; first paragraph is ROMANIA LIBERA introduction]

[Text] Of course, Mr. Claudiu Iordache's withdrawal from the National Salvation Front [FSN] did not come as a surprise, since his parting with the ruling party actually occurred in Timisoara almost half a year ago. However, this does not diminish the broad interest in the public statement he made last Monday in the Deputies' Assembly, when he presented the motivation for his decision in very straightforward and unambiguous terms. The present discussion took place that same day, in the afternoon, at the Parliament headquarters; Mr. Iordache was still visibly moved by the importance of the moment. He pointed out that, following his withdrawal from the FSN, he also resigned from the positions he held in his capacity as member of the majority parliamentary group, namely from the position as vice president of the Deputies' Assembly Commission for Culture and Mass Media and the position as president of the Romania-France Parliamentary Group.

[Marculescu] You held some of the most important positions in the FSN. What caused your withdrawal from that party?

[Iordache] For me, this has been an experience with a totally unhappy ending, as far as my hopes are concerned. This ending actually coincides with my hopes having exhausted themselves fully, at a time when I feel more than ever before that the ruling party has ceased to be what it was at the beginning. To put it more precisely, I can say that it (the party—our paper's note) has lost its privileged contact with the categories of workers that actually catapulted it to power on 20 May 1990, and it has failed to establish ties of partnership with the trade union central organizations in Romania. The reform of the executive branch is close to failure. Individuals of patent immorality (see the national administration) together with persons for whom the revolution is an unwanted and negative historical phenomenon, whose values should be despised, still survive in the Front. I would like to mention that last week, during discussions in the Deputies' Assembly on Law No. 42, several FSN deputies had an unexpectedly "candid" reaction when they called the representatives of the Jilava 21-22 December 1989 Association —and, by extension of meaning, all those representing the revolution—mercenaries, drunkards, and hooligans. Well, these people are supposed to be our deputies in a Parliament that has set itself the task of promoting the profound reconstruction of Romanian society. Of course, I do not overlook the fact that the FSN also consists of people worthy of the trust of those whom they still represent. Unfortunately, they cannot influence the orientation of this party.

[Marculescu] Who has the upper hand in the FSN?

[Iordache] The pressure centers derive from two categories—the third one is powerless. However, I hope that the latter are still representing the basis and still have most beautiful dreams. It is because of these people that I consider my withdrawal from the FSN as a rather brusque gesture; therefore, I take this opportunity to ask them to show understanding for it.

[Marculescu] You brought up the phenomenon of corruption. Can you go into some detail?

[Iordache] Yes! Last fall, I wanted to find out how the various Bucharest sectors issued authorizations for trade outlets. The information received showed that such permits were issued on the basis of bribes in hard currency or were given to people with a promiscuous communist political career in the past. In this respect, you can talk to Mr. Bogdan Patrascu, the secretary of the Deputies' Assembly, who is well informed in these matters.

[Marculescu] What is your relationship with the FSN leadership?

[Iordache] First of all, let us talk about my relations with the political leader, Petre Roman. I consider his evolution in the last year as far from what I, and others, have hoped from him. I believe that he is no longer capable of comprehending the situation he is in; his latest political decisions seem improvised and devoid of substantial analysis; his leadership appears increasingly more personalized, less transparent, and more deceptive. Particularly his promises—such as at the FSN rally of 20 November or about the process of communism—were easily forgotten; as for his pledge to open the road for the Romanian young generation to decision-making positions, this became a total illusion.

[Marculescu] What chances do you give the Roman government in the current situation of economic collapse?

[Iordache] You see, at a time when we have several power institutions in Romania, that is, the government—the Parliament, the president, and the executive—the most exposed one is naturally the executive. However, the government is outbidding its potential, considering that a lifelong government is more important for this country than a Parliament that can conclude its legislative period with the drafting of a constitution for the nation. In practical terms, we are witnessing an inverse relationship, with the governmental team trying

to save itself at all costs, including the likelihood of losing the party it currently represents—a most telling thing about the government's current lack of lucidity. Mr. Petre Roman might have had a good political solution, had he withdrawn from the leadership of a government that no longer controls the economic situation and concentrated instead on building the new architecture of the party whose leader he is. He can still do it. I would like to remind him that we are still searching for the institutions of the state of law.

[Marculescu] Do you think the Parliament may be dissolved and early elections organized?

[Iordache] I consider the president's intervention here as salutary. It postpones this prospect, to the practical benefit of all parties. We should first hold local elections!

[Marculescu] These local elections were promised for last autumn...

[Iordache] Well, let us hope that they will be held in October 1991!

[Marculescu] What about the "Claudiu Iordache motion?" Has it been forgotten?

[Iordache] The Standing Bureau of the Deputies' Assembly has sent the motion to the Senate, since it is of concern for the entire Constituent Assembly. However, it seems that the Senate's interest in this motion is insignificant. The motion, together with its support list, vanished or was stolen. The Senate's Standing Bureau discussed this motion and, to my surprise (if my information is confirmed), it seems that a member of an opposition party opposed it...

[Marculescu] Can you tell me who that might be?

[Iordache] You are the journalist; find out!

[Marculescu] Rest assured that I will immediately start my, well, investigation, since you have made me curious! There is much talk about a possible coalition government. Would that be a viable solution?

[Iordache] Yes, if the premises for such a government take into consideration the future of Romania, not of the participating parties. Otherwise, it will be a failure.

[Marculescu] Who could be the prime minister in such a case?

[Iordache] My answer is: Mircea Druc [former prime minister of the Republic of Moldova]!!!

Ministry Official on Regrouping of Eastern Europe

AU2006103491 Bucharest ROMPRES in English 0856 GMT 20 Jun 91

[Text] Bucharest ROMPRES, 20/6/1991—Teodor Melescanu, secretary of state at the Romanian Foreign Ministry said that the attempt of grouping the former socialist European countries in two categories, the first including the central-European countries, i.e. Poland, Czechoslovakia and Hungary, the second, the south-east European ones, namely Romania, Bulgaria and Yugoslavia is "totally unacceptable and artificial." Such artificial attempts could create tension among the former socialist states in eastern Europe, could make them compete with one another, could create difficulties for the West European structures, and especially for us, who have been negotiating with the West, specified Teodor Melescanu in an interview with the daily "JURNAL INTERNATIONAL" ["INTERNATIONAL JOURNAL"]. We have already drawn the attention to the fact that, such a differentiation, were it structured, could trigger the appearance of antagonistic, if not conflicting groupings in eastern Europe.

On the other hand, the secretary of state also said, in point of security, as the Gulf conflict clearly showed, the south-eastern zone is much more important for the whole of Europe than the central one, therefore if an order of priorities had to be established, it would begin with the south-eastern countries, that is the zone of contact between Europe and the conflicting regions in the world, the east, Iran, Iraq etc. Along this line of thought, Teodor Melescanu said: We understand that the EEC members are interested in deepening their integration, which mustn't, of course, be stopped, but that would not imply the rejection of forms of affiliation to the Common Market of former socialist European countries. In fact it is here that lies the contribution of Western Europe to the building of a general European system of security and cooperation."

Presidency Session Cancelled 20 Jun

LD2006081491 Belgrade TANJUG Domestic Service in Serbo-Croatian 0739 GMT 20 Jun 91

[Text] Belgrade, 20 Jun (TANJUG)—A session of the SFRY Presidency scheduled to take place today at the invitation of Vasil Tupurkovski has been cancelled.

In a statement for TANJUG, Vasil Tupurkovski, member of the SFRY Presidency, said that last night Janez Drnovsek and Stjepan Mesic had informed him that both they and the presidents of Slovenia and Croatia, Milan Kukcan and Franjo Tudjman, respectively, had decided not take part in today's session of the SFRY Presidency after all. They support Tupurkovski's initiative but after a series of talks in Belgrade yesterday they had become convinced that at the moment there was no readiness to unblock the work of the SFRY Presidency by electing Stjepan Mesic president of the SFRY Presidency.

I will continue with efforts to overcome the problem of functioning in the SFRY Presidency, but in the light of the above I was forced to suspend my initiative indefinitely, Vasil Tupurkovski said.

Markovic Meets Kucan, Tudjman on Dissociation

LD1906173691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1658 GMT 19 Jun 91

[Text] Belgrade, 19 Jun (TANJUG)—This afternoon in Belgrade Federal Executive Council President Ante Markoic had talks, at their request, with the Slovene and Croatian representatives: Slovene President Milan Kucan, Croatian President Franjo Tudjman, and members of the SFRY Presidency Janez Drnovsek and Stipe Mesic.

It has been stated that all issues relating to the process of dissociation were discussed at the talks, as were, in connection with this, decisions and relevant legal regulations by the Slovene and Croatian Assemblies.

Jovic Declines To Speculate on Session

LD1906150191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1259 GMT 19 Jun 91

[Text] Belgrade, 19 Jun (TANJUG)—The situation in the country since 15 May has been characterized by the SFRY Presidency's passive attitude to issues of exceptional importance for the country's fate. The fact that the president of the presidency was not elected is no justification for such an attitude. Ultimatums and blackmail must not be used as an excuse for further delay the work of the country's highest body, Borisav Jovic, SFRY Presidency member, stated for TANJUG today.

In the interest of the country and in view of the responsibility of its members, the SFRY Presidency should be allowed to carry out its constitutional duties in line with its responsibilities for the country's future, Jovic said.

It would be unacceptable if personal interests are given precedence over the interests of the country as a whole, Jovic said.

Asked about what he expected from the tomorrow's SFRY Presidency session, Jovic said that Vasil Tupurkovski was in charge of the preparations and could therefore provide a more realistic answer to this question.

Kostic, Jovic View Presidency Session Agenda

LD1906181791 Belgrade TANJUG in English 1423 GMT 19 Jun 91

[Text] Belgrade, June 19 (TANJUG)—Yugoslav presidency member from the Republic of Montenegro Branko Kostic today told TANJUG that, at tomorrow's session, the presidency would "exchange views on the possible consequences of the announced decisions of Slovenia and Croatia to secede from Yugoslavia."

The information service of the Yugoslav Presidency today announced that everyone who was invited confirmed his arrival—in addition to the eight members of the presidency, top-ranking officials of the Yugoslav Federation have also been invited.

The Yugoslav Presidency interrupted its session on May 15 because it could not elect a president and vice-president.

Presidency Member from Croatia Stipe Mesic, who was to be the presidency president under the usual rotation system, failed to get the necessary number of votes (a minimum of five) of the presidency members.

"A lot of work has accumulated which the presidency must deal with as the collective head of state," Kostic said.

Kostic also explained that it was agreed at a recent meeting of the incomplete Yugoslav Presidency (without members from four republics) that the question of the independence of the Yugoslav Republics of Croatia and Slovenia be considered when the presidency meets in its full composition.

This will have to be discussed "even if we have to leave the question of the election of a president and vice-president for later," Kostic underscored.

Yugoslav presidency member from the Republic of Serbia Borisav Jovic said today that the "passive stand of the presidency towards questions which are extremely important for the fate of Yugoslavia cannot be justified by the fact that there is no presidency president."

Jovic underscored that Yugoslav presidency member from Macedonia Vasil Tupurkovski had been entrusted with preparing tomorrow's session, but he refused to say anything in more detail about the agenda of the session.

Croatian, Serbian, Bosnian Leaders Discuss Crisis

LD1906172191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1608 GMT 19 Jun 91

[Text] Belgrade, 19 Jun (TANJUG)—Talks were held in Belgrade today, as reported, between Serbian President Slobodan Milosevic, Croatian President Franjo Tudjman and Bosnia-Hercegovina Presidency President Alija Izetbegovic. Ways out of the state and political crisis were examined.

Serbian President Slobodan Milosevic informed Presidents Tudjman and Izetbegovic that, during his consultations with chairmen of groups of deputies and chairman of committees of the Serbian Assembly, a positive attitude was adopted regarding proposals that were presented at the Sarajevo meeting. It was noted during the consultations that the sovereignty of republics does not represent an obstacle if Yugoslavia is a state community or a single state. Namely, the sovereignty of republics cannot deny the state community, because in that case it would not be able to function. In that sense, the level of independence of republics that does not imply the abolition of Yugoslavia as a state community represents the basis for the successful resolution of the Yugoslav crisis.

Croatian President Franjo Tudjman said that the crisis can be resolved only on the basis of an alliance of sovereign states as decided on the basis of the referendum in the Republic of Croatia.

Bosnia-Hercegovina Presidency President Alija Izetbegovic again called for the acceptance of the principled solutions as outlined in the compromsie formula presented at the meeting in Sarajevo. He drew particular attention to two advantages of the platform presented in Sarajevo: The internal aspect that implies efforts to avoid interethnic problems that would otherwise arise in the three republics, Bosnia-Hercegovina, Croatia and Serbia; and the external aspect that paves the way for cooperation with the international, and in particular, with the European Community and would help to speed up the resolution of the serious economic crisis that can no longer be delayed.

At their meeting today the presidents agreed that there exist close views on common functions and in some cases even identical views regarding the functioning of a single market and human and civil rights and that differences are to be found in their views on the character of the future state community, in other words on the functions in the sphere of defense and foreign affairs. The presidents of Serbia, Croatia and Bosnia-Hercegovina agreed that work should continue on further developing proposals presented at the meeting in Sarajevo.

The presidents considered the current economic situation, and concluded that it demands that a joint platform be drafted to resolve economic problems and for the functioning of the single market, which will ceate conditions for further talks with the IMF, the World Bank and the EEC.

The three presidents hold that talks should continue and that they should be attended by all [republican] presidents and the SFRY Presidency, the statement concludes.

Slovenia, Croatia To Coordinate Independence

AU1906151691 Vienna DIE PRESSE in German 19 Jun 91 p 4

[Interview with Joze Pucnik, head of Slovenia's Demos coalition, by Maren Koester-Hetzendorf in Ljubljana; date not given: "A Federation Requires Political Culture and the Rule of Law"]

[Text] [Koester-Hetzendorf] Slovenia plans to proclaim its independence on 26 June at the latest. What is the people's mood several days prior to this important event?

[Pucnik] The people are disappointed. They thought that the introduction of the multiparty system would almost automatically also entail an improvement of the economic situation. Their disappointment is aimed at the government, and their dissatisfaction is considerable. The people refuse to see the causes; they only see the current state of affairs, and they wonder why the government does not abolish the grievances. The social tensions will probably increase.

[Koester-Hetzendorf] What can be done about it?

[Pucnik] The government must pursue a transparent policy and try to explain its measures, and it must try to explain all the reasons and causes. For instance, the Ravne steel workers went on strike. The workers asked for an average wage increase to the equivalent of 1,000 German marks and an equally high leave pay. It should be considered, however, that the steel works get substantial subsidies to be able to maintain the jobs. That must be explained to the people. If the steel works are to get even more subsidies, the money must be taken away from another enterprise. The people must be asked where the money should be taken away. That produced an effect on the negotiations.

[Koester-Hetzendorf] There are rumors that independence will be proclaimed prior to 26 June. Is that true?

[Pucnik] The date of 26 June is the latest date. If the constitutional law on the implementation of the plebiscite of 23 December is adopted by the assembly, the Slovene president, the prime minister, and the asssembly president will probably make brief statements. The flag will probably be hoisted, and the anthem of Preseren of 1835 will be sung.

[Koester-Hetzendorf] When will the session be held?

[Pucnik] I knew the date several days ago. Then there was a meeting with the Croats over the weekend, and now we will coordinate it with the Croats. But that does not have to be on the same day. It depends on the security situation, if there is a reason to assume that the military will intervene.

[Koester-Hetzendorf] What changes will there be following the proclamation of independence?

[Pucnik] Slovenia wants to have full independence. However, it will take months, if not years, until all problems are solved. As of day X, Slovenia will file applications with other states for diplomatic recognition. Factually, Slovenia will assume power on its territory, which means, for instance, that it will be responsible for customs and for securing the borders. Slovenia will establish a border with Croatia symbolically or factually. Negotiations with the Army will be resumed.

[Koester-Hetzendorf] How do you assess the rumors about a coup that have come up time and again?

[Pucnik] Regarding the generals' attitude, I am optimistic. They are sensible people who have asked themselves what they could do to help solve the social problems, once they have carried out their military mission.

[Koester-Hetzendorf] What do you think about Markovic?

[Pucnik] Markovic is the greatest poker player and the greatest bluffer. He has really managed to convince Western politicians of something that does not even have a chance. For example, there is his economic program. The Western politicians do not believe that you cannot build on morass. With the existing structures, financial aid of $5 or even 10 billion would ooze away because there is no radical willingness to carry out reforms—and that holds also true for Slovenia. The great ones in Europe think along too simple lines—integration is good. However, you cannot simply change the semi-feudal conditions in Yugoslavia into a modern market economy. That would be an overassessment of the situation in Yugoslavia. On paper, Yugoslavia is a federation. But in reality, it is not because a federation is an ambitious organization requiring high political culture and the rule of law. Both have never existed in Yugoslavia. Because the premise is not correct, the rest is not correct, either. The step that Slovenia is about to take is a constructive step for the integration of this part of the continent into Europe. We understand by integration bringing interests into line, which is something we urgently need in this region. There have always been antagonisms in Yugoslavia; they have now come to the surface.

[Koester-Hetzendorf] Slovenia plans to proclaim independence at the same time as Croatia. Will there be a confederation following that?

[Pucnik] The confederation is an option. It should be an agreement that should be limited to a certain period of time and should be terminable. It should be an intensive cooperation within the scope of consultative bodies that would discuss which projects should be carried out jointly. In no case should the bodies have legislative or administrative functions. There will only be a monetary and customs union if it has been precisely defined in advance.

[Koester-Hetzendorf] Why has Slovenia decided to take this joint step? Could Slovenia thereby be dragged into the nationalities conflict in Croatia?

[Pucnik] Slovenia cannot decide on the date when Croatia will proclaim its independence. We must accept that. There are also positive elements: If both republics act jointly, there is no possibility to prevent this step militarily. Because half of the Slovenian exports go to Croatia, Croatia is of special economic importance for Slovenia.

[Koester-Hetzendorf] Do you assume that the central government will recognize Slovenia's and Croatia's independence? Markovic has said that he will not prevent the step by force.

[Pucnik] Strictly speaking, I do not expect the central government to recognize our independence officially because Yugoslavia always only postpones things and changes promises made.

[Koester-Hetzendorf] Austria has made the recognition of Slovenia's independence conditional on the recognition by the Markovic government. Does that disappoint you?

[Pucnik] Austria has shown considerable understanding for Slovenia's independence. We would very much like to see Austria decide in favor of recognition as soon as possible.

Government Signs Customs Duties Agreement

LD2006085391 Belgrade TANJUG Domestic Service in Serbo-Croatian 0826 GMT 20 Jun 91

[Text] Belgrade, 20 Jun (TANJUG)—TANJUG has just learned that an irrevocable agreement to be observed by the Republic of Slovenia has been reached between representatives of the Federal Executive Council and the Slovene government concerning the collection of customs duties.

The agreement was signed by Aleksandar Mitrovic, vice president of the Federal Executive Council, and on the Slovene side by Andrej Ocvirk, vice president of the Executive Council of the Republic of Slovenia.

'Customs War' Between Slovenia, Federation Ends

AU2006083991 Belgrade Radio Belgrade Network in Serbo-Croatian 0800 GMT 20 Jun 91

[Text] Belgrade Radio has learned that the so-called customs war between Slovenia and Yugoslavia also formally stopped this morning. As we were told by the Federal Secretariat for Information, it was agreed at the meeting between the representatives of the Federal Executive Council and the Executive Council of Slovenia this morning that Slovenia should comply with all federal regulations concerning the payment of customs duties. As concerns the obligations from the past, the pace at which they are to be paid will be established at the meeting of the Federal Finance Secretariat with the representatives of the Executive Council of Slovenia.

Inspectors Denied Access to Slovene Accounts

AU2006082391 Belgrade BORBA in Serbo-Croatian 1-2 June 91 p 5

[D.V. report: "Closed Doors for the Inspectors"]

[Text] We have learned that the Yugoslav Social Accounting Service [SDK] has informed the Federal Executive Council that its inspectors in the Republic of Slovenia were not able to perform the inspections, as regulated and allocated by the federal law and its powers. All this has happened at a time when everybody agreed to lift the blockades and barriers to the normal functioning of the unified Yugoslav market, which, one can assume, also includes the normal flow of goods and capital, as well as data and information.

Igor Omerza, director of the Slovene SDK, received in a friendly manner the team of Yugoslav SDK employees led by the assistant general director Velimir Maskovic, but he also informed them in his office that they could not discuss inspections or instructions "on the field."

Director Omerza explained this with the fact that such inspection "from above" was not in line with the Slovene Assembly stand on the transfer of federation powers to the Republic of Slovenia. He also referred to an earlier letter that he had sent to the general director of the Yugoslav SDK in which, as he said, he informed him in advance that the inspection of the Slovene SDK branches had already been carried out by the authorized republican inspectors, and that this data would be available to the federal organs; therefore, it would be unreasonable to spend money on a sort of verification of the already established facts.

It is not yet certain what the authorized organs in the Federal Government will do, but it is highly likely that they will not calmly acknowledge such a report and let the matter simply run its course. This is for the simple reason that in all "normal" parts of the world, a country's regulations must be obeyed as long as this country exists, or until the regulations are changed.

Slovene Official Discusses Croatian Border

AU1906140091 Ljubljana DELO in Slovene 28 May 91 p 1

[Ivan Gerencer report: "Border With Croatia As Open As Possible"]

[Text] Murska Sobota, 27 May—"We are still discussing what the border with Croatia will be like after Slovenia's independence. Currently we are talking about three options. According to the first one, we will have 34 border crossings; fewer crossings under the second; no border with Croatia at all under the third. Personally, I am convinced that we cannot do without a border, but I advocate that this border be as open as possible. Therefore, I am in favor of the normal traffic of passengers and goods between Slovenia and Croatia," Slavko Debelak, under-secretary in the Republican Secretariat for Internal Affairs [RSNZ], explained.

He also said that the Slovene passport is ready. The passport has European dimensions—15.5 cm by 9 cm—is blue, and very closely resembles the EC passport. It will be valid for 10 years. "The Slovene passport will become valid immediately after Slovenia's international recognition. Until then we will use Yugoslav passports." When asked if the federal organs would cause trouble in connection with this, Slavko Debelak said that this is possible, but that Slovenia also has some counterarguments which should, in his opinion, prevent such problems.

When asked about RSNZ satisfaction with police work during the Maribor events, Debelak replied that the secretariat is preparing a detailed analysis. When this is completed, it will be possible to discuss everything with authority and arguments.

Papers Examine Croatian Independence Issues

LD1806185791 Belgrade TANJUG in English 1210 GMT 18 Jun 91

[Text] Zagreb, June 18 (TANJUG)—Zagreb weekly DANAS wonders whether Croatia's announced independence is aimed to "affirm the ruling set" or to let Yugoslavia's jeopardized democracy develop unobstructed "in Croatia's tamer ambience."

The weekly, giving no answer to this question, writes that Croatia has been receiving an increasing number of discrete foreign warnings that the Croatian road to the settlement of the Yugoslav crisis must at the same time mean a larger amount of democracy in Croatia itself.

An opinion poll of 1,000 Croatian citizens, writes the journal, has shown that Croatia's secession from Yugoslavia was favoured by about 50 per cent, a Yugoslav confederation by 24 per cent, and more independence within Yugoslavia by 21 per cent.

Croatia's parliament opened today its "permanent sitting" to pass near 200 laws regulating the republic's acquiring independence.

Another Zagreb paper, VJESNIK (close to the Croatian authorities), today dwells on noting that parliament will have to consider "on one hand, Croatia's determination to finally become an independent republic-state, and, on the other, the warnings that Croatia must not rush headlong."

Parliament is also to enact a law on residence supposed to make "more efficacious provisions for citizens to move freely and choose their residences in Croatia" while "rendering impossible the uncontrolled movements and settlement of citizens without legal justification," writes VJESNIK.

Belgrade daily BORBA (close to the federal government) assesses that even the Croatian MPs "who are to vote on the decision of a sovereign and independent Croatia, are not fully aware of the concrete meaning of this decision."

BORBA writes that Croatia's republican leadership has evaluated that the "dissociation is a process, rather than a unilateral act" and that it will be difficult to disentangle painlessly "all the threads that have been binding the republic and Yugoslavia for 70 years."

Papers in the Republic of Serbia today do not comment the opening of the Croatian parliament session, yet POLITIKA writes that Serbs in Croatia's eastern parts are "embarassed by the republic's announced secession."

Tudjman: Independence Decision by 30 Jun

LD1906205491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1910 GMT 19 Jun 91

[Text] Zagreb, 19 Jun (TANJUG)—A decision on independence will be made by 30 June, since an agreement on an alliance of sovereign states was not reached, Croatian President Franjo Tudjman stated in an exclusive interview for VECERNJE LIST of Zagreb, which will be published tomorrow under the headline "Croatian State Becoming Reality." On two full pages, Tudjman presents his views about the Yugoslav crisis and discusses its resolution, and especially the positions of Croatia, Bosnia-Hercegovina, and Serbia in the current processes.

Asked how long the process of seeking independence will last, Tudjman said that this is difficult to predict, but he noted that Slovenes have estimated that dissociation with the Army would last perhaps even two, three years. The important thing is that the process is carried out through mutual agreement and consensus and in a democratic way, Tudjman said.

On the Izetbegovic-Gligorov proposal, Tudjman said that it was a compromise trying to reconcile the Croatian-Slovene proposal about an alliance of sovereign states with the Serbian-Montenegrin idea on a modern federation. "This hybrid does not satisfy Croatia and Slovenia, and Serbia is dissatisfied too," Tudjman assessed.

On the first tripartite meeting of the presidents of Croatia, Bosnia-Hercegovina, and Serbia, Tudjman said that it touched on important problems, "but there is no willingness to face them."

Asked about the situation in Bosnia-Hercegovina, Tudjman complained that the Croats are neglected in that republic. He also said that borders between Croatia and Bosnia-Hercegovina "are inadequate in the legal and any other aspect."

On the other hand Tudjman stressed that any negotiations about the region of Krajina are out of the question. "I explicitly stated this at our meeting with the Serbian leadership and a meeting with President Milosevic."

The Croatian president noted that Croatia has been and will continue to be conciliatory, but if the problem of Krajina cannot be resolved in a peaceful and democratic way, "We shall not suffer outlaws and will use all available means to restore a legal system."

Tudjman favors solutions conducive to a normal and, if not good- neighborly then at least tolerant coexistence between Serbia and Croatia. In this context he stressed that the 2 million strong Muslim population should not be ignored.

Asked about the failure to elect Mesic as president of the SFRY Presidency, Tudjman said that "it would suit us if Mesic takes over the Presidency because that would give us an insight into the plans concerning the Yugoslav People's Army." The Croatian president is resolutely against giving in over Mesic's election. "The Croatian people have suffered enough, and in the light of the lessons taught by our history, we are not prepared to make compromises that would jeopardize not just the interests of Croatia but the very existence of the Croatian nation. Serbian politicians will either realize that the anti-constitutional opposition to Mesic is damaging, or else the process of disassociation from Yugoslavia will have to be speeded up."

In conclusion Tudjman said that the influence of both Europe and the United States on events in Yugoslavia is of great importance and that it will continue to be in future. He added that the world is following with understanding Croatia's efforts to achieve full sovereignty and independence. Asked about the formation of the Croatian army, Tudjman said: "We had to arm ourselves; otherwise there would now be no sovereign Croatia."

Croatian Government Adopts Legal Documents

LD1906194891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1823 GMT 19 Jun 91

[Text] Zagreb, 19 Jun (TANJUG)—This evening, in the course of its work on the preparation of legal documents

for dissociation from Yugoslavia and for Croatia becoming independent, the government of the Republic of Croatia adopted more than 10 republican legal documents covering areas which have so far been covered by federal laws. These include a draft law on free zones, on war veterans' and invalids' welfare, on pensions and invalids' allowance, and on employment.

A free zone is defined in the draft law as a part of territory of the Republic of Croatia where economic activities are performed under special conditions. The aim of the law on keeping these and other federal laws is to insure legal continuity in the implementation of certain rights from, for instance, the law on pensions and invalids' allowance, the law on employment, and the law on war veterans' welfare.

Among republican legal documents, the government supported a proposal for the adoption of a law on changes and amendments to the law on Croatia Radio and Television. The law proposes the setting up of Croatian Radio and Television as a public enterprise, which would be made up of Zagreb Radio, Zagreb Television, and transmitters and communications. Although there were different views, the government opted for a proposal that the director of the Croatian Radio and Television public enterprise be appointed and recalled by the government of the Republic of Croatia.

The government relieved of duty secretary of the government Venceslav Cvitan, who is retiring.

Croatian Assembly Begins Permanent Session

AU1906161291 Zagreb VECERNJI LIST in Serbo-Croatian 18 Jun 91 p 3

[S. Bogdanic report: "Decisions for Independence"]

[Text] Zagreb—The wish of the citizens of Croatia, which was expressed in the May referendum on full independence, and the conclusions of the Assembly, which required the government to prepare all the state-legal decisions and laws necessary for establishing a pure model of an independent sovereign Croatia, are the main determinants of the permanent session of the Croatian Assembly, which begins today. The Assembly will meet every day until the end of the month or until this extensive state-legal work, which includes the adoption of several hundred decisions and laws, is completed. The Assembly's working bodies, as well as the government and the Legislative and Constitutional Commissions will also work continually.

The most important document that the Assembly has to adopt is on dissociation, which must form the basis of the republic's entire legislature. This document, which is already being prepared by a group of experts, is based on Article 140 of the Constitution: "The Republic of Croatia remains part of the SFRY until a new agreement is reached between the Yugoslav republics or until the Croatian Assembly decides otherwise. If the territorial integrity of the Republic of Croatia is violated through an act or action by an organ of the federation or an organ of another republic or province that is a member of the federation, or if the republic is put in an unequal position in the federation or its interests are jeopardized, the republican authorities will, on the basis of the right to self-determination and the sovereignty of the Republic of Croatia established in the Constitution, make the necessary decisions to protect the sovereignty and interests of the Republic of Croatia."

Apart from the act on dissociation, the Assembly will also have before it the state-legal package of laws essential for the independence of Croatia (republican citizenship, the movement of foreigners, temporary and permanent residence, travel permits, identification cards, turnover tax on goods and services, international agreements, foreign affairs, and so on). It has been proposed to the Assembly that it take over numerous federal laws, except for those provisions contrary to the republican Constitution and legislature. It will be necessary to make special decisions to determine the status of the representatives and delegates of Croatia in federal agencies and institutions. To somewhat ease the marathon task of the Assembly, as the highest republican legislative body that is faced with an undoubtedly responsible and great job, deputies will most probably empower the government to adopt by itself the semi-legal acts [podzakonski akt], which are necessary for establishing a new legislative-legal system.

Serbian Living Conditions in Croatia Reported

LD1906022791 Belgrade TANJUG in English 1855 GMT 18 Jun 91

[Text] Belgrade June 18 (TANJUG)—Serbs in (the Yugoslav republic of) Croatia are fighting at arms to attain their national and civil rights, says the Serbian ministry for relations with Serbs outside Serbia.

A lengthy report on the position of Serbs outside Serbia, which the ministry submitted to the republican parliament today, says that Croatian authorities have reduced the Serbian nation in Croatia to an ethnic minority, and deny it the right to use its language and script.

The document says that in Croatia, the property of Serbs is being destroyed, their churches desecrated and they themselves harassed, discharged from work and interrogated for unexplained reasons and their freedom of movement restricted.

With the coming to power of the Demos coalition in Slovenia, Serbs have lost almost all rights, and fear for their very survival, the ministry says.

The report goes on to say that in Macedonia, anti-Serbian sentiment has been on the rise in the past three years and pressure on Serbs to declare themselves as Macedonians has been mounting.

Serbs in Bosnia-Hercegovina are well organized politically and rally round the Serbian Democratic Party, the

ministry says. In that republic, they have become a factor on which nobody can any longer impose any legal or political solution which would harm their national interests, it adds.

Croatian Democratic Union Opposes Ethnic Division

LD1906033791 Belgrade TANJUG in English 1240 GMT 18 Jun 91

[Text] Sarajevo, June 18 (TANJUG)—Leader of the Croatian Democratic Union (HDZ) for Bosnia-Hercegovina Stjepan Kljujic stated today that his party was against dividing this Yugoslav republic into regions on an ethnic basis.

Kljujic told a news conference that the HDZ was for sovereign Bosnia-Hercegovina and the HDZ's stands on this matter "differed from the stands of the Serbian Democratic Party (SDS)."

The HDZ rallies Croats who account for 17 per cent, and the SDS rallies Serbs who account for 32 per cent of the republic's population. Moslems, who contribute 43 per cent to the republic's population according to the 1991 census, are rallied within their [word indistinct] party which is against divisions of the republic.

Kljujic said also that the Yugoslav Republic of Croatia was not to secede from Yugoslavia but was "striving for sovereignty and equality of the republics."

In Croatia today, parliament opened its session during which it should make decisions and pass legal acts necessary for the republic's independence announced for June 26.

'Party of Law' Wants Independent Croatia

LD1906043191 Belgrade TANJUG in English 2017 GMT 18 Jun 91

[Text] Zagreb, June 18 (TANJUG)—Dobroslav Paraga, president of the Croatian Party of Law, an extreme rightist party in the Yugoslav Republic of Croatia, today said that the Republic of Bosnia-Hercegovina belonged to Croatia and "oust be in Croatia". [sentence as received]

Speaking at a press conference in Zagreb, Paraga promulgated the [words indistinct] "restoration and establishment of the independent state of Croatia throughout its historical and ethnic territory".

Paraga said that the Croatian Party of Law was neither for "disunification" nor for an alliance of Yugoslav states, but only for the independent state of Croatia.

The independent state of Croatia existed during the World War Two occupation of Yugoslavia (1941-1945). It had been formed by Ustashas, members of the Croatian Nazi movement of Ante Pavelic, under the patronage of Hitler's Third Reich. This "independent state" is remembered in history for the mass atrocities committed against Serbs [words indistinct] the charter of the new independent state of Croatia envisages for the state to spread on all its former territories and even some which it had never had, such as Sandzak on the Serbia-Montenegro border and part of the Montenegrin coast.

Under an agreement signed by the Ustasha government with the Italian and German occupiers, the independent state of Croatia had been given some parts of today's Croatia, the entire Bosnia-Hercegovina, parts of Serbia to Belgrade and Srem (a region in Serbia's province of Vojvodina).

Paraga explained that the charter had been adopted "in order to prevent [word indistinct] out of Croatian territories".

Macedonia Warns of Dissociation From Center

LD1906033191 Belgrade TANJUG in English 1237 GMT 18 Jun 91

[Text] Skopje, June 18 (TANJUG)—The Skopje daily NOVA MAKEDONIJA writes today that the Yugoslav Republic of Macedonia has clearly made it known that, if any of the Yugoslav republics dissociates itself from Yugoslavia, it will adopt an act on Macedonia's dissociation on the following day.

The daily notes that the other republics "have been preparing acts on dissociation for a long time and with detailed analyses" and wonders whether Macedonia "will be able to adopt such an act in just a single day."

The republics of Slovenia and Croatia have announced their independence for June 26.

The Skopje daily notes that the public is still not aware of the consequences in the event that an agreement on Yugoslavia's future is not reached and recalls the social poverty, apathy and lack of prospects which reign in Macedonia.

Maleski Criticizes Loncar for Macedonian Remarks

LD1806091291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1453 GMT 17 Jun 91

[Text] Skopje, 17 June (TANJUG)—Macedonian Foreign Relations Minister Denko Maleski, reacted strongly to an interview with Federal Foreign Affairs Minister Budimir Loncar by the Athens daily I KATHIMERINA, in which, among other things, the Yugoslav foreign minister announced that bilateral relations between Athens and Belgrade will be freed from the Macedonian issue and that internal political problems and minority issues will be settled at "a regional level."

Recalling the character of the multinational Yugoslav community from which the foreign policy of the country stems, Minister Maleski in his public reaction today stresses that the overall interests of Yugoslavia are a coalescence of the individual interests of all those who

make up that integration. "If we act in line with this, then the international position of each member of the alliance, as well as of the alliance as a whole, gains some seriousness. But, if we act contrary to this, questioning the equality of one nation in the sense of its coexistence in an alliance with other nations is inevitable," Minister Maleski said.

Saying that "perhaps someone is gaining friends abroad, but is thus creating enemies at home," the Macedonian foreign minister urged "that this logical mistake be corrected, according to which foreign policy of a multinational country can be led even if the position of one of its constituent parts is not defended."

In connection with Loncar's initiative regarding the Macedonian issue in Greece, the Socio-Democratic Alliance of Macedonia (formerly Macedonian League of Communists-Party for Democratic Transformation) issued a statement today saying the interview with I KATHIMERINI is a "policy of hiding and evading the truth."

"This is, basically, a continuation of the former practice of Yugoslav diplomacy in which Macedonia and the Macedonian people are sacrificed in the name of some higher goals within the framework of developing cooperation with this neighboring country," the protest of the Socio-Democratic Alliance of Macedonia says. The Macedonian Social-Democrats are warning that it is impossible to speak about the peace in the Balkans if courage falters when "the Macedonian issue" should be discussed as a basis for stability in this area.

Press Comments on Imminent Baker Visit

LD1906224491 Belgrade TANJUG in English 2145 GMT 19 Jun 91

[Text] Belgrade, June 19 (TANJUG)—The Belgrade daily POLITIKA writes that the visit to Belgrade of U.S. Secretary of State James Baker, who is due to arrive tomorrow, is viewed in diplomatic circles here as "anything but routine".

The visit, writes POLITIKA in its issue for tomorrow, is being linked with the tense moment in Yugoslavia, the announced disassociation of Croatia and Slovenia and an evolution in Washington's attitude to the aspects of the Yugoslav crisis.

POLITIKA sees Washington's evolutionary stand in the fact that the U.S. Congress has overwhelmingly voted down an amendment proposed by Congressman Rohrbacher which called for a different approach to individual Yugoslav republics and virtually upheld a disintegration of the country.

The Zagreb daily VJESNIK writes in its tomorrow's issue that "the attitude of the world community to the processes in Yugoslavia will certainly be largely determined by what Baker learns in his talks in Belgrade and stands which the United States consequently adopts".

VJESNIK lays stress on Baker's talks with Croatian leaders, saying that it is no secret "that Croatia and the United States differ somewhat in their views on the possible ways of surmounting the Yugoslav crisis".

The Yugoslav daily BORBA asks if "there is a chance at all of such a powerful ally as the United States has been and wishes to remain being able to help along democracy in Yugoslavia, prosperity and the Yugoslav community such as it may be".

According to BORBA, Baker is "definitely late".

Baker's Visit Delayed Until 21 June

LD2006084891 Belgrade TANJUG in English 0816 GMT 20 Jun 91

Belgrade, June 20 (TANJUG)—U.S. State Secretary James Baker arrives in Belgrade on Friday, instead of Thursday night, as planned earlier.

Tanjug has learned that the postponment was due to a wide number of obligations Baker has in Berlin, where the CSCE ministerial council held a session.

It has also been learned that Baker will postpone his visit to Albania for a day. According to plan he was to have travelled to Tirana on Friday, after talks with the presidents of the Yugoslav republics, Yugoslav Prime Minister Ante Markovic and Foreign Secretary Budimir Loncar.

Baker travels to Tirana on Saturday.

The postponement of Baker's visit to Yugoslavia will not effect any greater changes in the program of the his visit to Belgrade. This means that he will meet with each of the republican presidents.

FEC To Enforce Collection of Duties

LD1906173191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1653 GMT 19 Jun 91

[Text] Belgrade, 19 June (TANJUG)—At its session today, presided over by Federal Executive Council [FEC] President Ante Markovic concluded that there are no reasons whatsoever for the further suspension of a decision on the forceful collection of duties; hence, the decision will finally be implemented from tomorrow.

Following a demand from Slovenia, a fresh round of talks will be held this evening between representatives of the FEC and the Slovene government, the FEC Information Secretariat has reported.

While examining the course of discussion in the SFRY Assembly on a draft law on the federal budget and the budget itself for 1991, the FEC concluded that some parts of Yugoslavia are still not aware of the seriousness of the economic situation in Yugoslavia.

The economic collapse, which is inevitable if the FEC's macroeconomic policy is not adopted, will affect everyone—both the country as a whole and all its constituent parts; it will also thwart the establishment of necessary relations with international financial institutions through which the financial resources should be obtained that are lacking and are necessary for the balance of payments and for the external liquidity of the country.

'Free Hand' on Credit, Monetary Policy Sought

LD1906034691 Belgrade TANJUG in English 1755 GMT 18 Jun 91

[Text] Belgrade, June 18 (TANJUG)—Governor of the National Bank of Yugoslavia (NBJ) Dusan Vlatkovic today proposed to the Federal parliament to give a free hand to the NBJ Board of Governors in the area of credit and monetary policy about which the country's Federal units have not reached agreement.

Vlatkovic made the proposal at a session of the Federal parliament's committee on the credit and monetary system.

Although the country's economic and financial system are on the verge of collapse, the republics are still discussing a draft Federal budget and a dozen major bills which are crucial for the implementation of the government's reform policy, he warned.

In cases where the republics and provinces are not able to reach agreement, the Federal government can move with the Presidency for some bills to be enacted as provisional measures. This course of action however, is not possible at the moment because the work of the Presidency has been blocked since May 15, after Croatia's representative in the body Stipe Mesic failed to be elected its president.

For this reason, the NBJ demands that, until the republics reach agreement, the Board of Governors be granted the authority to decide about the servicing of the public debt and the channeling of new money to commercial banks which have liquidity problems, said Vlatkovic. This would help avoid a financial collapse of the country, he explained.

The proposal will be on the agenda of the Chamber of the Republics and Provinces tomorrow. Problems which have been taken off the agenda include a number of bills on which agreement has not been reached, such as a draft Federal budget for this year amounting to 166.9 billion dinars (roughly eight billion dollars).

Until the republics reach agreement on the budget, the Federal state will be financed on the basis of a Federal government decision on a temporary financing of the federation.

Meanwhile, the deficit in the Federal budget will be covered from Central Bank funds, NBJ Vice Governor Mitja Gaspari said, adding that the Federal government has already taken out a loan of 21.5 billion dinars from the NBJ.

Bureau Director Reports Inflation Figures

LD1906034191 Belgrade TANJUG in English 1606 GMT 18 Jun 91

[Text] Belgrade, June 18 (TANJUG)—In the first five months of the year, inflation in Yugoslavia reached 38.9 per cent, a figure the Federal government did not expect.

Director of the Federal Bureau of Prices Branko Gostovic said today that hyperinflation had not been experienced yet. He recalled that inflation stood at 74.3 per cent in the same period last year, totalling 121.7 per cent at the year's end, and that in 1989 it reached a record 2,650 per cent.

Speaking at a session of the Federal Assembly's market and prices committee, Gostovic said he doubted that the targeted inflation rate of between 60 and 70 per cent would be attained by the end of the year.

If the inflation rate in June remains close to the May figure, the overall rate for the first six months would be between 53 and 54 per cent, which would enable us to reach calmer waters in the third quarter, he added.

Deputy Federal Trade Secretary Branko Maricic said that the Federal government had no intention of suspending the imports of consumer goods. He explained that almost 70 per cent of the goods imported this year had already been paid for and that consumer goods would be imported whenever domestic prices rose above the average level.